



## BOARD AGENDA REQUEST FORM

TO: Dr. Casey J. Goodall, Associate Superintendent for  
Business

FROM: Bonny Carter, Director of Facilities and Planning

DATE: March 2, 2018

RE: Adopt Resolution No. 17-24 Approving an Increase in  
Statutory School Fees Imposed on New Residential and  
Commercial/Industrial Development Projects Pursuant to  
Education Code Section 17620

### PROPOSED ACTION FOR

TUSD BOARD MEETING DATE: March 13, 2018 Item 14.1.3

TYPE OF ACTION REQUESTED: Please attach Purchase Order if this  
item requires an expenditure of funds. A contract is required for outside  
services of a consultant or organization.

Please check:

- ☐ Public Hearing
- ☐ Recognition
- ☐ Consent
- ☒ Action
- ☐ Information/Discussion/Report
- ☐ Closed Session
- ☐ Pending Fingerprint Approval

*Board  
Approved  
3-13-18  
BAC*

**NOTE:** All Agenda items must be submitted to the appropriate Secretary **two weeks prior to the**  
**Board meeting.**

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Approval:

Revision:



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Approval:

Revision:





# BUSINESS SERVICES MEMORANDUM

**TO:** Dr. Brian Stephens, Superintendent  
**FROM:** Dr. Casey Goodall, Associate Superintendent for Business Services  
**DATE:** March 2, 2018  
**SUBJECT:** **Adopt Resolution No. 17-24 Approving an Increase in Statutory School Fees Imposed on New Residential and Commercial/Industrial Development Projects Pursuant to Education Code Section 17620**

**BACKGROUND:** In January 1987, with the enactment of Chapters 887 and 888, Statutes of 1986, now Education Code Section 66000 and 66001, school district governing boards were given the authority to levy fees on both residential and commercial/industrial development in order to fund construction and reconstruction of school facilities necessitated by such development. In order to justify the residential and commercial/industrial School Fee level, the district's consultant, Cooperative Strategies (formerly Dolinka Group, LLC.) prepared two studies: 1) Residential Development School Fee Justification Study, and 2) Commercial/Industrial Development School Fee Justification Study ("Studies"). Both Studies established a nexus in the Tracy Unified School District between residential and commercial/industrial development and the (i) need for school facilities, (ii) the cost of school facilities, and (iii) the amount of statutory school fees per residential or commercial/industrial building square foot that may be levied for schools.

The Board has taken into consideration any public comments heard on the fees as justified in the Studies during the hearing period which opened on March 2, 2018 and closed on March 13, 2018.

**RATIONALE:** The Board heard an informational report on the Residential Development School Fee Justification Study, dated March 2, 2018; and, on the Commercial/Industrial Development School Fee Justification Study, dated March 2, 2018 ("Studies"). The Studies have been available for public review and comment at the school district office during the public comment period.

Due to the configuration of TUSD, two fee levels have been developed, one for the K-12 boundaries of the district which yields fees of \$3.79 per square foot of residential development and fees of \$0.61 per square foot of commercial/industrial construction; except for the self-storage category, where it is justified in levying a School Fee of \$0.066 per square foot. The fees for the K-8 feeder districts which are only responsible for mitigation of high school facilities are \$0.95 per square foot of residential development and fees of \$0.153 per square foot of commercial/industrial construction; except for the self-storage category, where it is justified in levying a School Fee of \$0.012 per square foot.

**FUNDING:** No funding implications.

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**RECOMMENDATIONS:** Adopt Resolution No. 17-24 Approving an Increase in Statutory School Fees Imposed on New Residential and Commercial/Industrial Development Projects Pursuant to Education Code Section 17620.

**Prepared by:** Bonny Carter, Director of Facilities & Planning

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**TRACY UNIFIED SCHOOL DISTRICT  
RESOLUTION NO.17-24  
RESOLUTION OF THE BOARD OF EDUCATION OF THE TRACY  
UNIFIED SCHOOL DISTRICT TO INCREASE STATUTORY SCHOOL  
FEES IMPOSED ON NEW RESIDENTIAL AND COMMERCIAL/  
INDUSTRIAL DEVELOPMENT PROJECTS PURSUANT TO EDUCATION  
CODE SECTION 17620**

**WHEREAS**, the Board of Education ("Board") of the Tracy Unified School District ("School District") provides for the educational needs for K-12 students within the City of Tracy, a portion of the City of Lathrop, (collectively, "Cities") and a portion of the unincorporated County of San Joaquin ("County"); and

**WHEREAS**, The State Allocation Board has taken action pursuant to Government Code Section 65995(b)(3), which authorizes school districts to increase statutory school fees to \$3.79 per square foot for assessable space of residential development and \$0.61 per square foot of chargeable covered and enclosed space for all categories of commercial/industrial development, as long as such statutory school fees are properly justified by the School District pursuant to law; and

**WHEREAS**, pursuant to Education Code Section 17623, the School District and its feeder school districts, Banta Elementary School District ("BESD"), Jefferson School District ("JSD"), and New Jerusalem Elementary School District ("NJESD"), have entered into an agreement whereby the School District is to receive twenty-five percent (25%) of the maximum fees permitted to be levied under Education Code Section 17620 and Government Code Section 65995; and

**WHEREAS**, new residential and commercial/industrial development continues to generate additional students for the School District's schools and the School District is required to provide school facilities ("School Facilities") to accommodate those students; and

**WHEREAS**, overcrowded schools within the School District have an impact on the School District's ability to provide an adequate quality education and negatively impacts the educational opportunities for the School District's students; and

**WHEREAS**, the School District does not have sufficient funds available for the construction or reconstruction of the School Facilities, including acquisition of sites, construction of permanent School Facilities, and acquisition of interim School Facilities, to accommodate students from new residential and commercial/industrial development; and

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**WHEREAS**, the Board of the School District has received and considered two studies entitled "Residential Development School Fee Justification Study for Tracy Unified School District" and "Commercial/Industrial Development School Fee Justification Study for Tracy Unified School District" ("Studies"), which Studies include information, documentation, and analysis of the School Facilities needs of the School District, including (a) the purpose of the Statutory School Fees, (b) the use to which the Statutory School Fees are to be put (c) the nexus (roughly proportional and reasonable relationship) between the residential and commercial/industrial development and (1) the use for Statutory School Fees, (2) the need for School Facilities, (3) the cost of School Facilities and the amount of Statutory School Fees from new residential and commercial/industrial development, (d) a determination of the impact of the increased number of employees anticipated to result from the commercial/industrial development (by category) upon the cost of providing School Facilities within the School District, (e) an evaluation and projection of the number of students that will be generated by new residential development, and (f) the new School Facilities that will be required to serve such students, and (g) the cost of such School Facilities; and

**WHEREAS**, said Studies pertaining to the Statutory School Fees and to the capital facilities needs of the School District were made available to the public as required by law before the Board considered at a regularly scheduled public meeting the Statutory School Fees; and

**WHEREAS**, all required notices of the proposed Statutory School Fees have been given; and

**WHEREAS**, a public hearing was held at a regularly scheduled meeting of the Board of the School District relating to the proposed Statutory School Fees; and

**WHEREAS**, Education Code Section 17621 provides that the adoption, increase or imposition of any fee, charge, dedication, or other requirement, pursuant to Education Code Section 17620 shall not be subject to Division 13 (commencing with Section 21000) of the Public Resources Code.

**NOW, THEREFORE, THE BOARD OF EDUCATION OF THE TRACY UNIFIED SCHOOL DISTRICT DOES HEREBY RESOLVE, DETERMINE, AND ORDER AS FOLLOWS:**

**Section 1.** That the Board accepts and adopts the Studies.

**Section 2.** That the Board finds that the purpose of the Statutory School Fees imposed upon new residential development is to fund the additional School Facilities required to serve the students generated by the new residential development upon which the Statutory School Fees are imposed.

**Section 3.** That the Board finds that the Statutory School Fees imposed on new residential development will be used only to finance those School Facilities described in the Study and related documents and that these School Facilities are required to serve the students generated by the new residential development within the School District; and that the use of the Statutory School Fees will include construction or acquisition of additional School Facilities, remodeling existing School Facilities to add additional classrooms, and technology, and acquiring and installing additional portable classrooms and related School Facilities, with the specific location of new schools, remodeling of existing School Facilities, and additional portables to be determined based on the residence of the students being generated by such new residential development, as well as any required central administrative and support facilities, within the School District.

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**Section 4.** That the Board finds that there is a roughly proportional, reasonable relationship between the use of the Statutory School Fees and the new residential development within the School District because the Statutory School Fees imposed on new residential development by this Resolution, will be used to fund School Facilities which will be used to serve the students generated by such new residential development.

**Section 5.** That the Board finds that there is a roughly proportional, reasonable relationship between the new residential development upon which the Statutory School Fees are imposed, and the need for additional School Facilities in the School District because new students will be generated from new residential development within the School District and there is not sufficient capacity in the existing School Facilities to accommodate all additional students.

**Section 6.** That the Board finds that the amount of the Statutory School Fees levied on new residential development as set forth in this Resolution is roughly proportional and reasonably related to, and does not exceed the cost of, providing the School Facilities required to serve the students generated by such new residential development within the School District.

**Section 7.** That the Board finds that the purpose of the Statutory School Fees imposed on new commercial/industrial development is to fund the additional School Facilities required to serve the students generated by the new commercial/industrial development upon which the Statutory School Fees are imposed.

**Section 8.** That the Board finds that the Statutory School Fees imposed on new commercial/ industrial development (by category) will be used only to finance those School Facilities described in the Studies and related documents and that these School Facilities are required to serve the students generated by such new commercial/industrial development; and that the use of the Statutory School Fees will include construction or acquisition of additional School Facilities, remodeling existing School Facilities to add additional classrooms and technology, and acquiring and installing additional portable classrooms and related facilities, with the specific location of new schools, remodeling of existing School Facilities, and additional portables to be determined based on the residence of the students being generated by such new commercial/industrial development, as well as any required central administrative and support facilities within the School District.

**Section 9.** That the Board finds that there is a roughly proportional, reasonable relationship between the use of the Statutory School Fees and new commercial/industrial development by category within the School District because the Statutory School Fees imposed on commercial/industrial development by this Resolution, will be used to fund School Facilities which will be used to serve the students generated by such new commercial/industrial development.

**Section 10.** That the Board finds that there is a roughly proportional, reasonable relationship between the new commercial/industrial development by category, upon which the Statutory School Fees are imposed, and the need for additional School Facilities in the School District because new students will be generated from new commercial/industrial development within the School District and the School District does not have sufficient student capacity in the existing School Facilities to accommodate these students.

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**Section 11.** That the Board finds that the amount of the Statutory School Fees levied on new commercial/industrial development by category as set forth in this Resolution is roughly proportional and reasonably related to and does not exceed the cost of providing the School Facilities required to serve the students generated by such new commercial/industrial development within the School District.

**Section 12.** That the Board finds that a separate account has been established for the deposit of Statutory School Fees imposed on residential and commercial/industrial development and that said account has at all times since been separately maintained, except for temporary investments, from other funds of the School District.

**Section 13.** That the Board finds that the funds of the account, described in Section 12, consisting of the proceeds of Statutory School Fees have been imposed for the purposes of constructing and reconstructing those School Facilities necessitated by new residential and commercial/industrial development, and thus, these funds may be expended for those purposes. The Statutory School Fees may also be expended by the School District for the costs of performing any study or otherwise making the findings and determinations required under subdivisions (a), (b), and (d) of Section 66001 of the Government Code. In addition, the School District may also retain, as appropriate, an amount not to exceed in any fiscal year, three percent (3%) of the fees collected in that fiscal year pursuant to Education Code Section 17620 for reimbursement of the administrative costs incurred by the School District in collecting the Statutory School Fees.

**Section 14.** That the Board hereby increases the Statutory School Fees as a condition of approval of new residential development projects and imposes the Statutory School Fees on such development projects in the following amounts:

- A. \$3.79 per square foot of assessable space for new residential development within the portion of the School District serving grades K-12, and \$0.95 per square foot of assessable space for new residential development within the portion of the School District serving BESD, JSD, and NJESD, including new residential projects, manufactured homes and mobile homes as authorized under Education Code Section 17625, and including residential construction other than new construction where such construction results in an increase of assessable space, as defined in Government Code Section 65995, in excess of 500 square feet. However, these amounts shall not be imposed on any development project used exclusively for housing senior citizens, as described in Civil Code Section 51.3, or as described in Subdivision J of Section 1569.2 of the Health and Safety Code or paragraph 9 of subdivision (d) of Section 15432 of the Government Code or any mobile home or manufactured home that is located within a mobile home park, subdivision, cooperative or condominium for mobile homes limited to older persons as defined by the Federal Fair Housing Amendments of 1988.
- B. \$0.61 per square foot of assessable space for the portion of the School District serving grades K-12 and \$0.153 per square foot of assessable space for the portion of the School District serving BESD, JSD, and NJESD for new residential development used exclusively for the housing of senior citizens, as described in Section 51.3 of the Civil Code or as described in subdivision J of Section 1569 of

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the Health and Safety Code or paragraph 9 of subdivision (d) of Section 15432 of the Government Code or any mobile home or manufactured home that is located within a mobile home park, subdivision, cooperative or condominium for mobile homes limited to older persons as defined by the Federal Fair Housing Amendments of 1988.

**Section 15.** That this Board hereby increases the Statutory School Fees as a condition of approval of new commercial/industrial development projects and levies the Statutory School Fees on such development projects in the following amounts per square foot of chargeable covered and enclosed space for the following categories of commercial/industrial development:

	K-12 Portion	BESD, JSD, and NJESD
Retail and Services	\$0.61	\$0.153
Office	\$0.61	\$0.153
Research and Development	\$0.61	\$0.153
Industrial/Warehouse/Manufacturing	\$0.61	\$0.153
Hospital	\$0.61	\$0.153
Hotel/Motel	\$0.61	\$0.153
Self-Storage	\$0.066	\$0.012

**Section 16.** That the proceeds of the Statutory School Fees established pursuant to this Resolution shall continue to be deposited into that account identified in Section 12 of this Resolution, the proceeds of which shall be used exclusively for the purpose for which the Statutory School Fees are to be collected, including accomplishing any study, findings or determinations required by subdivisions (a), (b) and (d) of Section 66001 of the Government Code or retaining an amount not to exceed in any fiscal year, three percent (3%) of the fees collected in that fiscal year pursuant to Education Code Section 17620 for reimbursement of the administrative costs incurred by the School District in collecting the Statutory School Fees or in financing the described Study or in defending the imposition of Statutory School Fees.

**Section 17.** That the Superintendent, or his designee, is directed to cause a copy of this Resolution to be delivered to the building official of the Cities and County within the School District's boundaries and the Office of Statewide Health Planning and Development ("OSHDP") along with a copy of all the supporting documentation referenced herein and a map of the School District clearly indicating the boundaries thereof, advising the Cities, County and OSHDP that new residential and commercial/industrial development is subject to the Statutory School Fees readopted pursuant to this Resolution and requesting that no building permit or approval for occupancy be issued by any of these entities for any new residential development project, mobile home or manufactured home subject to the Statutory School Fees absent a certification from this School District of compliance of such project with the requirements of the Statutory School Fees, nor that any building permit be issued for any non-residential development absent a certification from this School District of compliance with the requirements of the applicable Statutory School Fees.

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**Section 18.** That the Board hereby establishes a process that permits the party against whom the commercial/industrial Statutory School Fees are imposed, the opportunity for a hearing to appeal that imposition of Statutory School Fees for commercial/industrial development as required by Education Code Section 17621(e)(2). The appeal process is as follows:

- A. Within ten (10) calendar days of being notified, in writing, (by personal delivery or deposit in the U.S. Mail) of the commercial/industrial Statutory School Fees to be imposed or paying the commercial/industrial Statutory School Fees, pursuant to Education Code Section 17620, a party shall file a written request for a hearing regarding the imposition of commercial/industrial Statutory School Fees. The party shall state in the written request the grounds for opposing the imposition of commercial/industrial Statutory School Fees and said written request shall be served by personal delivery or certified or registered mail to the Superintendent of the School District.
- B. The possible grounds for that appeal include, but are not limited to, the inaccuracy of including the project within the category pursuant to which the commercial/industrial Statutory School Fees are to be imposed, or that the employee generation or pupil generation factors utilized under the applicable category are inaccurate as applied to the project.
- C. Within ten (10) calendar days of receipt of the written request for a hearing regarding the imposition of commercial/industrial Statutory School Fees, the Superintendent of the School District, or his designee, shall give notice in writing of the date, place and time of the hearing to the party appealing the imposition of commercial/industrial Statutory School Fees. The Superintendent, or his designee, shall schedule and conduct said hearing within thirty (30) calendar days of receipt of the written request. The Superintendent, or his designee, shall render a written decision within ten (10) days following the hearing on the party's appeal and serve it by certified or registered mail to the last known address of the party.
- D. The party against whom the commercial/industrial Statutory School Fees are imposed may appeal the Superintendent's, or his designee's, decision to the Board of the School District.
- E. The party appealing the Superintendent's, or his designee's decision, shall state in the written appeal the grounds for opposing the imposition of the commercial/industrial Statutory School Fees and said written appeal shall be served by personal delivery or certified or registered mail to the Superintendent of the School District.
- F. The possible grounds for that appeal to the Board of the School District include, but are not limited to, the inaccuracy of including the project within the category pursuant to which the commercial/industrial Statutory School Fees are to be imposed, or that the employee generation or pupil generation factors utilized under the applicable category are inaccurate as applied to the project.

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- G. Within ten (10) calendar days of receipt of the written request for a hearing regarding the imposition of commercial/industrial Statutory School Fees, the Superintendent of the School District, or his designee, shall give notice in writing of the date, place and time of the hearing to the party appealing the imposition of commercial/industrial Statutory School Fees. The Board of the School District shall schedule and conduct said hearing at the next regular meeting of the Board, provided that the party is given notice at least five (5) working days prior to the regular meeting of the Board. The Board shall render a written decision within ten (10) days following the hearing on the party's appeal and serve the decision by certified or registered mail to the last known address of the party.
- H. The party appealing the imposition of the commercial/industrial Statutory School Fees shall bear the burden of establishing that the commercial/industrial Statutory School Fees are improper.

**Section 19.** That the Superintendent is authorized to cause a certificate of compliance to be issued for each development project, mobile home and manufactured home for which there is compliance with the requirement for payment of the Statutory School Fees in the amount specified by this Resolution. In the event a certificate of compliance is issued for the payment of Statutory School Fees for a development project, mobile home or manufactured home and it is later determined that the statement or other representation made by an authorized party concerning the development project as to square footage is untrue, then such certificate shall automatically terminate, and the appropriate City shall be so notified.

**Section 20.** That no statement or provision set forth in this Resolution, or referred to therein shall be construed to repeal any preexisting fee previously imposed by the School District on any residential or nonresidential development.

**Section 21.** That the School District's Statutory School Fees will become effective sixty (60) days from the date of this Resolution unless a separate resolution increasing the fees immediately on an urgency basis is adopted by the Board.


**APPROVED, PASSED AND ADOPTED** this 13th day of March, 2018 by the Board of Trustees of the Tracy Unified School District, by the following vote.

AYES: 7

NOES: 0

ABSENT: 0

ABSTAIN: 0

  
\_\_\_\_\_  
President

Board of Trustees  
Tracy Unified School District

  
\_\_\_\_\_  
Clerk

Board of Trustees  
Tracy Unified School District

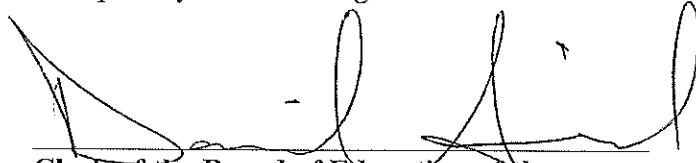
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*Dan Arriola*

I, \_\_\_\_\_, do hereby certify that the foregoing Resolution No. 17-24 was adopted by the Board of Education of the Tracy Unified School District at a meeting of said Board held on the 13<sup>th</sup> day of March, 2018, and that it was so adopted by the following vote:

A handwritten signature in black ink, appearing to read 'Dan Arriola', is written over a horizontal line.

**Clerk of the Board of Education of the  
Tracy Unified School District**

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**COOPERATIVE**  
**STRATEGIES**

COMPLETE FINANCIAL & DEMOGRAPHIC PLANNING FOR EDUCATION

**TRACY UNIFIED SCHOOL DISTRICT**  
**COMMERCIAL/INDUSTRIAL DEVELOPMENT**  
**SCHOOL FEE JUSTIFICATION STUDY**

**MARCH 2, 2018**

**PREPARED FOR:**

**Tracy Unified  
School District**  
1875 W. Lowell Avenue  
Tracy, CA 95376  
T 209.830.3245

**PREPARED BY:**

**Cooperative Strategies**  
8955 Research Drive  
Irvine, CA 92618  
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# TOC

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## EXECUTIVE SUMMARY

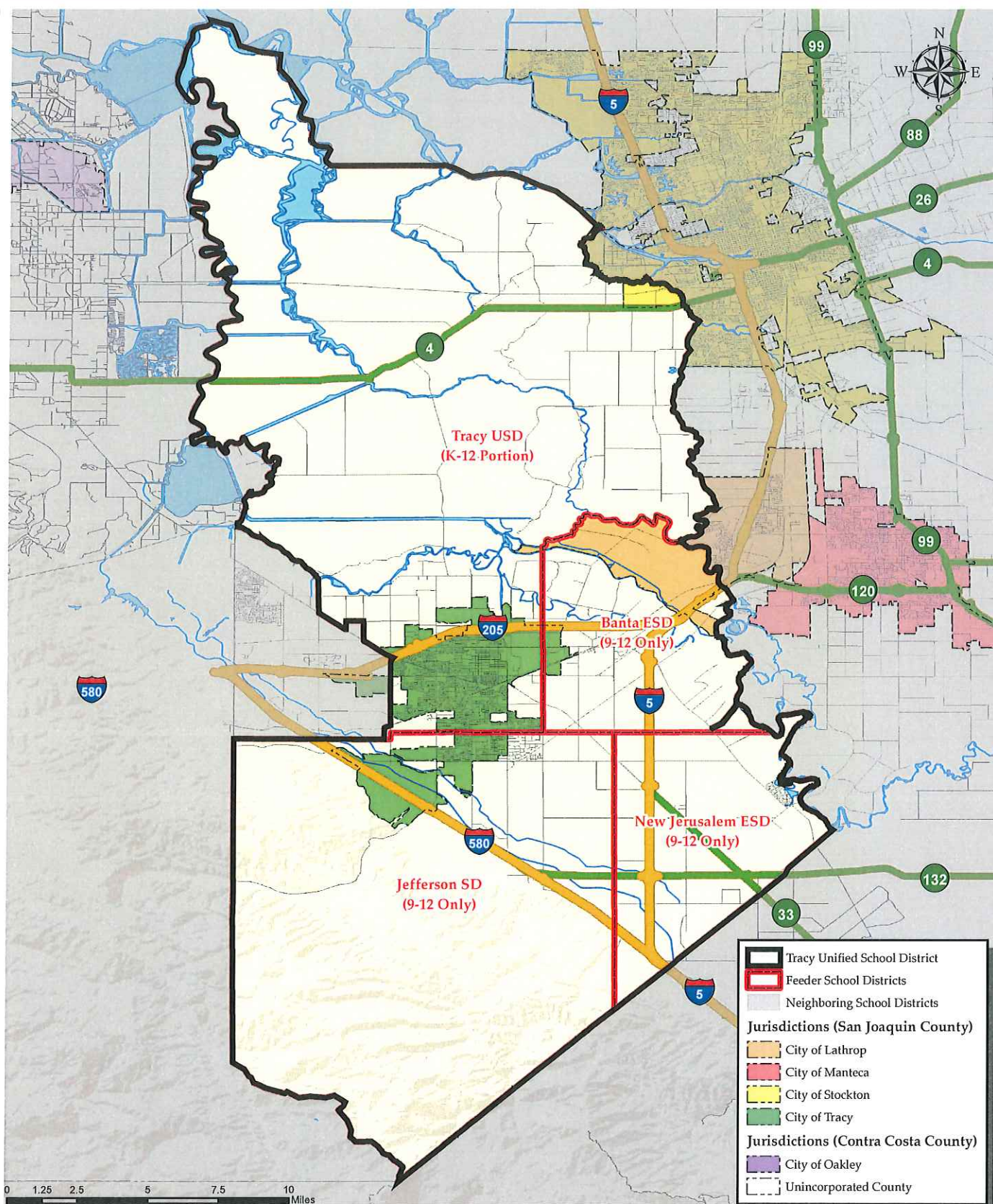
This Commercial/Industrial Development School Fee Justification Study ("Study") analyzes the extent to which a nexus can be established in the Tracy Unified School District ("School District") between categories of commercial/industrial development ("CID") and (i) the need for school facilities, (ii) the cost of school facilities, and (iii) the amount of statutory school fees ("School Fees") per square foot that may be levied for schools pursuant to the provisions of Assembly Bill ("AB") 181, Section 66001 of the Government Code, and subdivision (e) of Section 17621 of the Education Code.

The School District provides education to students in grades kindergarten through 12 ("TUSD" or "K-12 Portion") residing within a portion of the cities of Lathrop, Stockton, and Tracy (collectively, "Cities") and a portion of the unincorporated County of San Joaquin ("County"). The School District also provides education for students in grades 9 through 12 residing in the Banta Elementary School District ("BESD"), Jefferson School District ("JSD"), and New Jerusalem Elementary School District ("NJESD") (please see map on following page for a geographic profile of the School District). Collectively, the School District's school facilities in school year 2017/2018 have a capacity of 17,311 students per Section 17071.10(a) of the Education Code, of which 6,442 are at the elementary school level (i.e., grades kindergarten through 6), 2,596 are at the middle school level (i.e., grades 7 and 8), and 8,273 are at the high school level (i.e., grades 9 through 12). These capacities include seats from all new school facility construction projects funded by the State of California ("State"), and teaching stations purchased by the School District without State funding. Based on data provided by the School District, student enrollment is 14,921 in school year 2017/2018. Comparing student enrollment to facilities capacity reveals that student enrollment exceeds facilities capacity at the middle school level while facilities capacity exceeds student enrollment at the elementary school and high levels in school year 2017/2018.

New residential housing opportunities within the School District were also evaluated to confirm the availability of new homes for those who may relocate into the School District due to employment opportunities generated by new CID. Projections of the number of future residential units to be built within the School District's boundaries are based on information provided by the San Joaquin Council of Governments ("SJCOG") and the Cities. Based on this information, approximately 21,070 new residential units could be developed within the School District through calendar year 2035 ("Future Units"). Of these 21,070 Future Units, 14,126 single family detached ("SFD") units and 2,822 multi-family attached ("MFA") units have mitigated their impact on the School District through the execution of a mitigation agreement wherein units pay fees separate of School Fees or alternative school facility fees ("Alternative Fees"). Of the remaining 4,122 Future Units that have not mitigated their impacts on the School District, 1,872 are expected to be SFD units while 2,250 are expected to be MFA units. These units thereby provide room for new employees without the displacement of existing residents.



# TRACY UNIFIED SCHOOL DISTRICT GEORAPHIC PROFILE



July 2017



To determine the commercial/industrial School Fee levels that satisfy the rigorous nexus requirements of AB 181, the Study divides CID into seven (7) land use categories: retail and services, office, research and development, industrial/warehouse/manufacturing, hospital, hotel/motel, and self-storage. The employment impacts of each of these land uses, in terms of the number of employees per 1,000 square feet of building space, are based on information from the San Diego Association of Governments ("SANDAG") pursuant to Section 17621 (e)(1)(B) of the Education Code. These employee impacts are shown in Table ES-1.

**Table ES-1**  
**Employment Impacts per 1,000 Square Feet CID**

<b>CID Land Use Category</b>	<b>Employees per 1,000 Square Feet</b>
Retail and Services	2.2371
Office	3.4965
Research and Development	3.0395
Industrial/Warehouse/Manufacturing	2.6954
Hospital	2.7778
Hotel/Motel	1.1325
Self-Storage	0.0643

Additional data from SJCOG, the U.S. Bureau of Census ("Census"), and CoreLogic provide a basis for estimating net school district household impacts (i.e., the number of households which locate within the School District per 1,000 square feet of CID floor space) for each category. This number includes only those households occupying new housing units within the School District, as opposed to existing units whose previous occupants may have included school-aged children. Multiplying net school district households by (i) the number of students per household and (ii) total school facilities costs per student, results in estimates of school facilities cost impacts. Collectively, this calculation represents the total school facilities cost impacts per 1,000 square feet of commercial/industrial floor space, resulting from each of the seven (7) CID categories within the School District, expressed in 2018 dollars. These results are summarized in Tables ES-2 and ES-3, respectively.

**Table ES-2**  
**Gross School Facilities Cost Impacts for Grades K-8 within TUSD**  
**per 1,000 Square Feet of CID (2018\$)**

<b>CID Land Use Category</b>	<b>Elementary School Impacts</b>	<b>Middle School Impacts</b>	<b>High School Impacts</b>	<b>Gross School Facilities Cost Impacts<sup>[1]</sup></b>
Retail and Services	\$2,153	\$1,437	N/A	\$3,590
Office	\$3,363	\$2,246	N/A	\$5,609
Research and Development	\$2,926	\$1,953	N/A	\$4,879
Industrial/Warehouse/Manufacturing	\$2,590	\$1,730	N/A	\$4,320
Hospital	\$2,675	\$1,785	N/A	\$4,460
Hotel/Motel	\$1,091	\$727	N/A	\$1,818
Self-Storage	\$64	\$38	N/A	\$102

*[1] Numbers may not sum due to rounding.*

**Table ES-3**  
**Gross School Facilities Cost Impacts for Grades 9-12**  
**per 1,000 Square Feet of CID (2018\$)**

<b>CID Land Use Category</b>	<b>Elementary School Impacts</b>	<b>Middle School Impacts</b>	<b>High School Impacts</b>	<b>Gross School Facilities Cost Impacts<sup>[1]</sup></b>
Retail and Services	N/A	N/A	\$1,510	\$1,510
Office	N/A	N/A	\$2,361	\$2,361
Research and Development	N/A	N/A	\$2,052	\$2,052
Industrial/Warehouse/Manufacturing	N/A	N/A	\$1,819	\$1,819
Hospital	N/A	N/A	\$1,874	\$1,874
Hotel/Motel	N/A	N/A	\$766	\$766
Self-Storage	N/A	N/A	\$45	\$45

*[1] Numbers may not sum due to rounding.*



The revenue component of the Study estimates the potential fee revenues generated by CID, including residential fees paid by CID related households, as well as CID School Fees. CID related residential revenues are calculated based on a weighted average of (i) the current Alternative No. 2 Fee, justified in the School District's School Facilities Needs Analysis ("Analysis"), dated August 11, 2017, and (ii) the average mitigation obligation per mitigated Future Unit.

The residential revenues per household are then multiplied by the number of net school district households per 1,000 square feet of CID and the product is subtracted from the gross school facilities cost impacts listed above. These results are summarized in Tables ES-4 and ES-5 for (i) grades K-8 in the portion of the School District served by TUSD, and (ii) grades 9-12 in the entire School District, respectively. This results in net school facilities cost impacts by CID category.

**Table ES-4**  
**Net School Facilities Cost Impacts for Grades K-8 within TUSD**  
**per 1,000 Square Feet of CID (2018\$)**

<b>CID Land Use Category</b>	<b>Gross School Facilities Cost Impacts</b>	<b>Residential Revenues</b>	<b>Net School Facilities Cost Impacts</b>
Retail and Services	\$3,590	\$1,683	\$1,907
Office	\$5,609	\$2,631	\$2,978
Research and Development	\$4,879	\$2,287	\$2,592
Industrial/Warehouse/Manufacturing	\$4,320	\$2,028	\$2,292
Hospital	\$4,460	\$2,090	\$2,370
Hotel/Motel	\$1,818	\$852	\$966
Self-Storage	\$102	\$48	\$54

**Table ES-5**  
**Net School Facilities Cost Impacts for Grades 9-12**  
**per 1,000 Square Feet of CID (2018\$)**

<b>CID Land Use Category</b>	<b>Gross School Facilities Cost Impacts</b>	<b>Residential Revenues</b>	<b>Net School Facilities Cost Impacts</b>
Retail and Services	\$1,510	\$1,145	\$365
Office	\$2,361	\$1,790	\$571
Research and Development	\$2,052	\$1,556	\$496
Industrial/Warehouse/Manufacturing	\$1,819	\$1,380	\$439
Hospital	\$1,874	\$1,422	\$452
Hotel/Motel	\$766	\$580	\$186
Self-Storage	\$45	\$33	\$12

The net school facilities cost impacts identified in Tables ES-4 and ES-5 must be summed in order to calculate the net school facilities cost impacts for the portion of the School District serving grades K through 12. Table ES-6 identifies the total School Facilities cost impacts within TUSD, while Table ES-7 identifies the total school facilities cost impacts within BESD, JSD, and NJESD.

**Table ES-6**  
**Total School Facilities Cost Impacts within TUSD**  
**per 1,000 Square Feet of CID (2018\$)**

<b>CID Land Use Category</b>	<b>Net School Facilities Cost Impacts for Grades K-8</b>	<b>Net School Facilities Cost Impacts for Grades 9-12</b>	<b>Net School Facilities Cost Impacts</b>
Retail and Services	\$1,907	\$365	\$2,272
Office	\$2,978	\$571	\$3,549
Research and Development	\$2,592	\$496	\$3,088
Industrial/Warehouse/Manufacturing	\$2,292	\$439	\$2,731
Hospital	\$2,370	\$452	\$2,822
Hotel/Motel	\$966	\$186	\$1,152
Self-Storage	\$54	\$12	\$66



**Table ES-7**  
**Total School Facilities Cost Impacts with BESD, JSD, and NJESD**  
**per 1,000 Square Feet of CID (2018\$)**

<b>CID Land Use Category</b>	<b>Net School Facilities Cost Impacts for Grades K-8</b>	<b>Net School Facilities Cost Impacts for Grades 9-12</b>	<b>Net School Facilities Cost Impacts</b>
Retail and Services	N/A	\$365	\$365
Office	N/A	\$571	\$571
Research and Development	N/A	\$496	\$496
Industrial/Warehouse/Manufacturing	N/A	\$439	\$439
Hospital	N/A	\$452	\$452
Hotel/Motel	N/A	\$186	\$186
Self-Storage	N/A	\$12	\$12

On January 24, 2018, the State Allocation Board ("SAB") increased the maximum CID School Fee authorized by Section 17620 of the Education Code from \$0.56 to \$0.61 per square foot for unified school districts. This amount represents the maximum the School District can receive from new CID in TUSD. Justification of the CID School Fee is based on a comparison of net school facilities cost impacts with the maximum CID School Fee revenues of \$610 per 1,000 square feet. As shown in Table ES-6, the School District is justified in levying the maximum School Fee of \$0.61 per square foot, or \$610 per 1,000 square feet of CID, on future CID for all land use categories in TUSD, except for the self-storage category, where it is justified in levying a School Fee of \$0.066 per square foot, or \$66 per 1,000 square feet of CID.

Additionally, pursuant to the School District's revenue sharing agreement with BESD, JSD, and NJESD, the maximum the School District can receive from new CID is approximately 25 percent of the School Fees, or \$0.153 per square foot of CID constructed within its boundaries. Justification of the CID School Fee is based on a comparison of net school facilities cost impacts with the School District's portion of the maximum commercial/industrial School Fee revenues per 1,000 square feet. As net school facilities cost impacts for all CID categories are higher than the School District's portion of the maximum CID School Fee revenues, the levy of the maximum CID School Fee of \$0.153 per square foot, or \$153 per 1,000 square feet, for all CID land use within the portion of the School District served by BESD, JSD, and NJESD is justified, except for the self-storage category, where it is justified in levying a School Fee of \$0.012 per square foot, or \$12 per 1,000 square feet of CID.



## I. INTRODUCTION

Senate Bill ("SB") 50, which Governor Wilson signed on August 27, 1998, was enacted on November 4, 1998, following the approval of Proposition 1A by the voters of the State in the general election on November 3, 1998. SB 50 includes provisions for the following:

1. Issuance of State general obligation bonds in an amount not to exceed \$9.2 billion;
2. Reformation of the State School Building Program; and
3. Reformation of the School Fee/mitigation payment collection procedure.

Additionally, AB 16, which Governor Davis signed on April 26, 2002, was enacted following the approval of Proposition 47 ("Prop 47") by the voters of the State in the general election on November 5, 2002. Prop 47 includes the authorization for issuance of State general obligation bonds in the amount of \$13.05 billion, and AB 16 provides for additional reformation of the State School Building Program into the School Facilities Program. On March 2, 2004 the voters of the State approved Proposition 55 ("Prop 55"). Prop 55 includes the authorization for the additional issuance of State general obligation bonds in the amount of \$12.3 billion. Finally, AB 127, which Governor Schwarzenegger signed on May 20, 2006, was enacted following the approval of Proposition 1D ("Prop 1D") by the voters of the State in the general election of November 7, 2006. Prop 1D includes the authorization for the issuance of State general obligation bonds in the amount of \$10.4 billion. On November 8, 2016 the voters of the State approved Proposition 51 ("Prop 51"). Prop 51 includes the authorization for the issuance of State general obligation bonds in the amount of \$9 billion.

The Mira-Hart-Murrieta Decisions, which formerly permitted school districts to collect mitigation payments in excess of School Fees under certain circumstances, are suspended by AB 127. In lieu of the powers granted by the Mira-Hart-Murrieta Decisions, SB 50 and subsequent legislation provide school districts with a reformed School Fee collection procedure that, subject to certain conditions, authorizes school districts to collect alternative school facility fees ("Alternative Fees") on residential developments. However, not all school districts will qualify to charge Alternative Fees, and Alternative Fees cannot be imposed upon residential units that have existing agreements with a school district.

Therefore, school districts must still rely on School Fees as collected from CID to cover funding shortfalls created by residential development, as well as to cover impacts created by inter-district transfer students. However, before a school district can levy School Fees on new development, State law requires that certain "nexus" findings must be made and documented. The objective of this Study is to provide a rigorous basis for such findings.

## II. LEGISLATION

State legislation, specifically AB 2926, AB 1600, and AB 181, provides guidelines, procedures, and restrictions on the levy of School Fees for school facilities, especially with regard to CID. In order to determine the appropriate School Fees for CID, the Study follows the same nexus requirements as outlined by the ABs listed above. Relevant provisions of this legislation are summarized below:

### A. AB 2926

AB 2926 was enacted by the State in 1986. Among other things, AB 2926 added various sections to the Government Code which authorize school districts to levy School Fees on new residential development and CID in order to pay for school facilities required by such development. In addition, AB 2926 provides for the following:

1. No city or county can issue a building permit for a development project unless such School Fees have been paid.
2. School Fees for CID must be supported by the finding that such School Fees "are reasonably related and limited to the needs for schools caused by the development".
3. School Fees for 1987 were limited to \$1.50 per square foot on new residential construction and \$0.25 per square foot for new commercial/industrial construction.
4. Every year, School Fees shall be subject to annual increases based on the statewide cost index for Class B construction, as determined by the SAB at its January meeting.

The provisions of AB 2926 have since been expanded and revised by AB 1600 and AB 181.



**B. AB 1600**

AB 1600, which created Sections 66000 *et seq.* of the Government Code, was enacted by the State in 1987. AB 1600 requires that all public agencies satisfy the following requirements when establishing, increasing, or imposing a fee as a condition of approval for a development project.

1. Determine the purpose of the fee.
2. Identify the facilities to which the fee will be applied.
3. Determine that there is a reasonable relationship between the need for public facilities and the type of development on which a fee is imposed.
4. Determine that there is a reasonable relationship between the amount of the fee and the public facility or portion of the public facility attributable to the development on which the fee is imposed.
5. Provide an annual accounting of all utilization of fee revenues, and provide further finding each year that the relationship stated in the previous paragraph still exists if any portion of the fee remains unexpended, whether committed or uncommitted, in the School District's accounts five (5) or more years after it was collected.

In other words, AB 1600 limits the ability of a school district to levy School Fees unless (i) there is a need for the revenues to be generated by School Fees and (ii) there is a nexus or reasonable causal relationship between the need for School Fee revenues and the type of development project on which the School Fees are imposed. (The requirements of AB 1600 were clarified with the passage in 2006 of AB 2751, which codifies the findings of *Shapell Industries vs. Milpitas Unified School District*.) The Study will provide information necessary to establish such a nexus between School Fees and residential development.

C. AB 181

AB 181, enacted by the State in 1989, made significant changes in several State Codes, including Sections 53080 *et seq.* of the Government Code which was re-codified as Sections 17620 *et seq.* of the Education Code on January 1, 1998. Changes in Section 53080 included additional requirements and procedures for imposing School Fees and other conditions on new development. Specifically, AB 181 imposes more stringent nexus requirements on school districts that wish to levy School Fees on CID, as follows:

1. In order to levy a School Fee on CID, a formal study must be conducted to determine the impact of "the increased number of employees anticipated to result" from new CID on the "cost of providing school facilities within the School District".
2. Only that portion of the School Fee justified by the "nexus findings" contained in this study may be levied. Nexus findings must be made on an individual project basis or on the basis of categories of CID, and must "utilize employee generation estimates that are based on commercial/industrial factors within the school district." Categories to be evaluated may include, but are not limited to, office, retail, transportation, communications and utilities, light industrial, heavy industrial, research and development, and warehouse uses.
3. Starting in 1990, maximum School Fees for residential and CID will be subject to increases every two (2) years rather than annually.
4. An appeals procedure shall be established whereby the levy of School Fees on a commercial/industrial project may be appealed to the governing board of a school district. Grounds for an appeal must include, but are not limited to, improper project classification by commercial/industrial category, or the application of improper or inaccurate employee or student generation factors to the project.

In summary, AB 181 establishes additional requirements which must be satisfied by school districts prior to their levying School Fees on CID.



### **III. OBJECTIVE AND METHODOLOGY OF STUDY**

The School District is projecting an increase in student enrollment attributable to new residential development in future years. This projected growth will create a demand for new school facilities within the School District and the need to incur significant facilities costs to meet that demand. As a result, the School District has determined that School Fees should be levied on development projects that have an impact on the School District. In particular, the School District has determined that School Fees must be levied on new commercial/industrial projects if findings can be made that such projects will lead to higher student enrollment and increased facilities costs. The objective of the Study is to provide a basis for such findings pursuant to the requirements of AB 181, the provisions of Section 66001 of the Government Code, and subdivision (e) of Section 17621 of the Education Code.

#### **A. Overview of Methodology**

In order to determine the nexus relationships identified in AB 181, the Study analyzes the various linkages between CID and (i) the need for school facilities, (ii) the cost of school facilities, and (iii) the amount of the School Fee that can justifiably be levied. The primary connections or linkages include the following:

1. Job creation (i.e., new CID within the School District creates new jobs);
2. Household formation (i.e., job creation within the School District leads to the formation of new households in the School District);
3. Student generation (i.e., household formation within the School District generates new students);
4. Facilities requirements (i.e., student generation within the School District leads to the need to incur additional costs for new school facilities); and
5. School Fee requirements (i.e., additional costs for new school facilities within the School District leads to the need to levy School Fees for new development).

The above linkages result in a series of impacts which (i) connect new CID with increased school facilities costs and (ii) connect increased school facilities costs with School Fees on CID buildings. These impacts are identified for different CID land use categories, based on a "prototypical unit" of 1,000 square feet of new commercial or industrial floor space for each category. These "linkage impacts" include five (5) major types:



1. Employment Impacts
2. Household Impacts
3. Student Generation Impacts
4. School Facilities Cost Impacts
5. Fee Revenues

The nature and components of these impacts are summarized in Section III.C, along with the key assumptions and data sources used in estimating their magnitude.

Analysis of the first four (4) linkage impacts provides an estimate of the gross school facilities cost impacts per 1,000 square feet of floor space for each CID category. Analysis and comparison of all five (5) impacts provide an estimate of (i) net school facilities cost impacts (i.e., gross school facilities cost impacts minus residential revenues) per 1,000 square feet of CID floor space and (ii) the maximum commercial/industrial School Fee that can be justified.

**B. CID Land Use Categories**

Linkage impacts are analyzed for the following CID land use categories:

1. Retail and Services
2. Office
3. Research and Development
4. Industrial/Warehouse/Manufacturing
5. Hospital
6. Hotel/Motel
7. Self-Storage

## **Retail and Services**

The retail and services category includes commercial establishments which sell general merchandise, building materials, hard goods, apparel, and other items and services to consumers. Additional establishments in the retail and services category include nurseries, discount stores, restaurants, entertainment theme parks, new/used car sales facilities, service stations, supermarkets, banks, real estate sales offices, and similar uses.

## **Office**

A general office building houses one (1) or more tenants and is the location where affairs of a business, commercial or industrial organization, professional person or firm are conducted. The building or buildings may be limited to one (1) tenant, either the owner or lessee, or contain a mixture of tenants including professional services, insurance companies, investment brokers, company headquarters, and services for the tenants such as a bank or savings and loan, a restaurant or cafeteria, and service retail and services facilities. There may be large amounts of space used for file storage or data processing.

The office category may also include medical offices that provide diagnoses and outpatient care on a routine basis, but which are unable to provide prolonged in-house medical/surgical care. A medical office is generally operated by either a single private physician or a group of doctors.

## **Research and Development**

Research and development facilities are those primarily associated with the application of scientific research to the development of high technology products. Areas of concentration include materials, science, computer, electronic, and telecommunications products. Facilities may also contain offices and fabrication areas. Activities performed range from pure research to product development, testing, assembly, and distribution.

## **Industrial/Warehouse/Manufacturing**

Warehouses are facilities that are primarily devoted to the storage of materials. They may also include office and maintenance areas. This category also includes buildings in which a storage unit or vault is rented for the storage of goods.

Manufacturing facilities are building structures where the primary activity is the conversion of raw materials or parts into finished products. Size and type of activity may vary substantially from one facility to another. In addition to actual production of goods, manufacturing facilities generally have office, warehouse, research and associated functions. This category includes light industrial facilities such as printing plants, material testing laboratories, assemblers of data processing equipment, and power stations.

### **Hospital**

Hospital refers to any institution where medical or surgical care is given to non-ambulatory and ambulatory patients. The term does not however, refer to medical clinics (facilities that provide diagnoses and outpatient care only) or to nursing homes (facilities devoted to the care of persons unable to care for themselves).

### **Hotel/Motel**

Hotels and motels are commercial establishments primarily engaged in providing lodging, or lodging and meals, for the general public. As defined by Government Code Section 65995(d), the hotel/motel category includes, but is not limited to, any hotel, motel, inn, tourist home, or other lodging for which the maximum term of occupancy does not exceed 30 days. It does not, however, include any residential hotel as defined by Section 50519(b)(1) of the Health and Safety Code.

### **Self-Storage**

This category includes buildings in which a storage unit or vault is rented for the storage of goods and/or personal materials. This category may also include office areas associated with storage.

Note that CID land use categories may include different industry types. For example, firms in the transportation, communications, or utilities industries may be classified in up to six (6) of the seven (7) land use categories shown above. Similarly, retail firms may also occupy office or industrial space (e.g., for corporate headquarters or warehousing) and manufacturing firms may occupy retail space (e.g., factory retail outlets). In evaluating any given project, the School District should assign the project to whichever CID category is the predominant use within the project.



## **C. Linkage Impacts**

Linkage impacts are estimated for "prototypical units" of 1,000 square feet of new commercial or industrial floor space. Separate impact estimates are made for each of the CID categories shown above, based primarily on differences in employment generation among these commercial/industrial uses.

As noted above, major linkage impacts include employment impacts, household formation impacts, student generation impacts, school facilities cost impacts, and residential revenues. The nature and components of these impacts are summarized below, along with the key assumptions and data sources used in their estimation.

### **C.1 Employment Impacts**

Employment impacts for each land use category are represented by the estimated number of employees generated per 1,000 square feet of CID floor space. These impacts include potential on-site employees only.

#### **Assumptions and Data Sources**

Employment impact estimates are based on employment generation factors which indicate occupied building square footage per employee. Pursuant to Section 17621(e)(1)(B) of the Education Code, employment generation factors were derived from the report entitled "San Diego Traffic Generators" prepared by SANDAG.

### **C.2 Household Impacts**

Household impacts are represented by the estimated number of households associated with each category of employment impacts per 1,000 square feet of CID floor space. Household impacts include the following components.

- Total household impacts (i.e., the estimated number of households established by on-site employees, wherever these households may be located, per 1,000 square feet of CID floor space);
- School district household impacts (i.e., the estimated number of total households that will be located within the School District per 1,000 square feet of CID floor space); and

- Net school district household impacts (i.e., the estimated number of school district households that will occupy new housing within the School District per 1,000 square feet of CID floor space).

Please note that net school district household impacts are a component of school district household impacts, which are in turn a component of total household impacts. Also note that only net school district households are assumed to generate potential new students, thereby increasing school facilities costs for the School District. This is the case because only net school district households reside in new housing units--which may create a net demand for new school facilities and generate potential fee revenues--compared to existing housing units, whose previous occupants may have already had school-age children and which generate no potential fee revenues.

### **Assumptions and Data Sources**

Total household impact estimates are based on the average number of employed persons per household calculated from data provided by the Census.

School district household impact estimates are based on the propensity of employed persons to live and work within the School District. Information gathered by the Census and SCAG was used in this calculation.

Net school district household impacts are based on the propensity to occupy new housing units (i.e., the ratio of new home sales to total home sales in the School District's region). This ratio is estimated based on home sales data provided by CoreLogic.

### **C.3 Student Generation Impacts**

Student generation impacts are calculated based on the estimated number of the School District's students associated with each category of net school district household impacts per 1,000 square feet of CID floor space. Separate student generation impacts are estimated for each school level (i.e., elementary school, middle school, and high school).

Inter-district transfer impacts are also calculated based on current employment within the School District and the current number of inter-district transfer students.



### **Assumptions and Data Sources**

Student generation impacts are based on estimates of students per residential unit calculated by Cooperative Strategies. Student generation factors ("SGFs") are discussed in greater detail in Section VI. Inter-district data was provided by the School District while employment estimates are based on data provided by the Census.

#### **C.4 School Facilities Costs Impacts**

School facilities cost impacts are represented by the estimated gross school facilities cost impacts associated with each category of CID. Impacts are estimated for school facilities at each school level. These facilities cost impacts are based on site acquisition costs and facility construction costs at the elementary school and middle school levels. The facilities cost impacts at the high school level are based on the the per-pupil grant amounts established by SB 50.

### **Assumptions and Data Sources**

School facilities cost impacts were calculated by multiplying the additional school facilities needed to adequately house students generated from Future Units by estimated school facilities costs. School facilities costs are based on estimates prepared by Cooperative Strategies. For more information on school facilities costs, see the Residential Development School Fee Justification Study ("Residential Study") dated March 2, 2018.

#### **C.5 Fee Revenues**

Fee revenues for each land use category include the following components:

- Residential revenues associated with CID (i.e., residential revenues associated with each category of net school district household impacts per 1,000 square feet of commercial/industrial floor space); and
- Potential CID School Fee revenues (i.e., maximum CID School Fee revenues per 1,000 square feet of floor space).

Subtracting residential revenues from gross school facilities cost impacts for each CID category results in net school facilities cost impacts per 1,000 square feet of commercial/industrial floor space. These are the net school facilities costs that may have to be funded by CID School Fees.

Dividing net school facilities cost impacts by potential CID School Fee revenues for each CID category results in the percentage of the maximum CID School Fee that may be justifiably levied.

### **Assumptions and Data Sources**

Residential revenue estimates of \$9,657 per unit within TUSD are based on a weighted average of (i) the School District's current Alternative No. 2 Fee of \$5.16 per square foot, justified in the Analysis, multiplied by the School District's weighted average square footage of 1,804 square feet and (ii) the weighted average mitigation amount of \$15,743 per mitigated residential unit.

Residential revenue estimates of \$6,572 per residential unit within BESD, JSD, and NJESD are based on a weighted average of (i) the School District's current Alternative No. 2 Fee of \$1.26 per square foot, justified in the Analysis, multiplied by the School District's weighted average square footage of 1,804 square feet and (ii) the weighted average mitigation amount of \$7,617 per mitigated residential unit.

#### IV. FACILITIES CAPACITY AND COST ESTIMATES

In order to determine whether the School District's existing school facilities contain excess capacity to house students generated by future CID, Cooperative Strategies evaluated school facilities capacity and student enrollment for school year 2017/2018. In addition, Cooperative Strategies utilized information contained in the Residential Study to estimate the school facilities costs per student.

##### A. School Facilities Capacity

Collectively, the School District's school facilities in school year 2017/2018 have a capacity of 17,311 students per Section 17071.10(a) of the Education Code. This capacity includes seats from all new school facility construction projects funded by the State and teaching stations purchased by the School District without State funding. Of these 17,311 existing seats, 6,442 are at the elementary school level, 2,596 are at the middle school level, and 8,273 are at the high school level. (The school level configuration of the School District has been altered to be consistent with the SAB Form 50-02.) The enrollment of the School District in school year 2017/2018 is 14,921 students. As shown in Table 1 below, the School District's student enrollment exceeds facilities capacity at the middle school level while the facilities capacity exceeds student enrollment at the elementary school and high school levels in school year 2017/2018.

**Table 1**  
**Existing School Facilities Capacity and Student Enrollment**

School Level <sup>[1]</sup>	2017/2018 Facilities Capacity <sup>[2]</sup>	2017/2018 Student Enrollment <sup>[3]</sup>	Excess/ (Shortage) Capacity
Elementary School (Grades K-6)	6,442	5,919	523
Middle School (Grades 7-8)	2,596	3,214	(618)
High School (Grades 9-12)	8,273	5,788	2,485
<b>Total</b>	<b>17,311</b>	<b>14,921</b>	<b>2,390</b>

[1] The School District's school level configuration has been altered to be consistent with SAB Form 50-02.  
[2] SAB Form 50-02 plus additional State funded capacity and teaching stations purchased by the School District.  
[3] 2017/2018 student enrollment provided by the School District.



The capacities identified in Table 1 include capacity associated with relocatable classrooms that have exceed the 20-year useful life of such classroom types. Because these teaching stations have exceeded their useful life, the Study incorporates an adjusted school facilities capacity calculation which excludes these relocatable classrooms. Based on this calculation, it has been determined that the elementary school capacity consists of 4,014 seats (grades K-5), the middle school capacity consists of 2,390 seats (grades 6-8), and the high school capacity consists of 6,183 seats. As shown in Table 2, student enrollment exceeds the adjusted school facilities capacity at the elementary school and middle school levels while the adjusted school facilities capacity exceeds student enrollment at the high school level.

**Table 2**  
**Adjusted School Facilities Capacity and Student Enrollment**

<b>School Level</b>	<b>2017/2018 Facilities Capacity<sup>[1]</sup></b>	<b>2017/2018 Student Enrollment<sup>[2]</sup></b>	<b>Excess/ (Shortage) Capacity</b>
Elementary School (Grades K-5)	4,014	5,919	(1,905)
Middle School (Grades 6-8)	2,390	3,214	(824)
High School (Grades 9-12)	6,183	5,788	395
<b>Total</b>	<b>12,587</b>	<b>14,921</b>	<b>(2,334)</b>
<i>[1] See Residential Study for the Adjusted School Facilities Capacity Calculation.</i>			
<i>[2] 2017/2018 student enrollment provided by the School District.</i>			

As indicated in Table 1, 395 high school seats are available to accommodate the students anticipated to be generated from Future Units. For more information on how these surplus seats are addressed, please reference the Residential Study.

## **B. School Facilities Costs per Student**

In order to calculate the total school facilities cost impacts per student generated by non-mitigated Future Units, Cooperative Strategies first determined the School District's school facilities needs required by Future Units. The school facilities needs for Future Units were determined by projecting student enrollment and analyzing existing school facilities. Based on the calculations included in the Residential Study, the School District will need to construct new elementary school and middle school facilities, expand its existing high school facilities, and construct central administrative and support facilities. Cooperative Strategies then utilized the estimated cost for the aforementioned facilities contained in the Residential Study.

As shown in Table 12 of the Residential Study, the total school facilities cost impacts are \$41,191,893 at the elementary school level, \$27,175,491 at the middle school level, and \$23,610,030 at the high school level. Table 3 shows the total school facilities cost impacts for future residential development, the projected number of students to be generated from Future Units, and the school facilities costs per student by school level.

**Table 3**  
**Estimated School Facilities Cost Impacts per Student (2018\$)**

<b>School Level</b>	<b>Total School Facilities Cost Impacts</b>	<b>Projected Students Generated from Future Units</b>	<b>School Facilities Costs per Student</b>
Elementary School	\$41,191,893	970	\$42,466
Middle School	\$27,175,491	501	\$54,242
High School	\$23,610,030	727	\$32,476

## V. NEW RESIDENTIAL HOUSING OPPORTUNITIES WITHIN THE SCHOOL DISTRICT

To satisfy the nexus requirements, the Study must examine the extent to which new residential development can house a net increase in students generated by employment opportunities within the School District. This is because families of new employees within the School District who move into existing homes are assumed to be displacing families with identical numbers of students, thereby resulting in no net change in the School District's student enrollment. Only families moving into new homes, or families moving into existing homes where the displaced families are moving into new homes, can lead to an increase in the School District enrollment.

Projections of the number of Future Units to be built within the School District's boundaries were obtained from information provided by SJCOG and the Cities. Based on this data, 21,070 Future Units are projected to be developed within the School District through calendar year 2035. Table 4 below shows the number of mitigated and non-mitigated Future Units by land use.

**Table 4  
Future Units**

<b>Land Use</b>	<b>Mitigated Future Units</b>	<b>Non-Mitigated Future Units</b>	<b>Total Future Units</b>
SFD Units within TUSD <sup>[1]</sup>	218	1,872	2,090
MFA Units within TUSD <sup>[1]</sup>	18	2,250	2,268
<b>Total Units within TUSD</b>	<b>236</b>	<b>4,122</b>	<b>4,358</b>
Total SFD Units <sup>[2]</sup>	14,126	1,872	15,998
Total MFA Units <sup>[2]</sup>	2,822	2,250	5,072
<b>Total Units</b>	<b>16,948</b>	<b>4,122</b>	<b>21,070</b>
<i>[1] K-12 portion of the School District only.</i>			
<i>[2] Area served by the entire School District.</i>			

Furthermore, for more information on Future Units constructed in place of demolished residential units ("Reconstruction"), please reference the Residential Study.



## **VI. FINDINGS OF COMMERCIAL/INDUSTRIAL IMPACT ANALYSIS**

This section presents the quantitative findings of the commercial/industrial nexus analysis summarized in Section III. In particular, this section presents estimates of the following:

- All "linkage impacts" discussed in Section III, by CID land use category.
- Gross school facilities cost impacts per 1,000 square feet of commercial/industrial floor space.
- Net school facilities cost impacts (i.e., gross school facility cost impacts minus residential revenues) per 1,000 square feet of commercial/industrial floor space.
- The percentage of the maximum CID School Fee per square foot allowed by law that can be justified to pay for new school facilities.

### **A. Employment Impacts**

As indicated in Section III, employment impacts for different CID categories equal the estimated number of on-site employees generated per 1,000 square feet of commercial/industrial floor space. Consistent with the provisions of Section 17621(e)(1)(B) of the Education Code, employment impacts for each category are based on data from SANDAG. Employment factors utilized in the analysis are shown below

- Retail and Services--447 square feet per employee
- Office--286 square feet per employee
- Research and Development--329 square feet per employee
- Industrial/Warehouse/Manufacturing--371 square feet per employee
- Hospital--360 square feet per employee
- Hotel/Motel--883 square feet per employee
- Self-Storage—15,552 square feet per employee

The reciprocals of these factors indicate numbers of employees per square foot. Multiplying the reciprocals by 1,000 square feet results in employees per 1,000 square feet, or the employment impacts shown in Table 5.

**Table 5**  
**Employment Impacts per 1,000 Square Feet**

CID Land Use Category	Employees per 1,000 Square Feet
Retail and Services	2.2371
Office	3.4965
Research and Development	3.0395
Industrial/Warehouse/Manufacturing	2.6954
Hospital	2.7778
Hotel/Motel	1.1325
Self-Storage	0.0643
<i>Source: SANDAG</i>	

## **B. Household Impacts**

As noted in Section III, household impacts equal the estimated number of households associated with each category of employment impacts, per 1,000 square feet of commercial/industrial floor space. Household impacts include the following components:

- Total Household Impacts
- School District Household Impacts
- Net School District Household Impacts

### **B.1 Total Household Impacts**

Total household impacts equal the number of households per 1,000 square feet of commercial/industrial floor space established by on-site employees, wherever these households may be located, and include households residing outside of the School District. These impacts are estimated based on an average of 1.5970 employed persons per household.

This estimate was calculated by dividing the total number of employed people in the School District by the total number of households in the School District as provided by the Census.

Dividing employment impacts listed in Table 4 by this 1.5970 factor results in the total household impacts per 1,000 square feet of commercial/industrial floor space shown in Table 6.

**Table 6**  
**Total Household Impacts per 1,000 Square Feet CID**

<b>CID Land Use Category</b>	<b>Total Household Impacts</b>
Retail and Services	1.4008
Office	2.1894
Research and Development	1.9033
Industrial/Warehouse/Manufacturing	1.6878
Hospital	1.7394
Hotel/Motel	0.7091
Self-Storage	0.0403

## **B.2 School District Household Impacts**

School district household impacts equal the number of total households that locate within the School District per 1,000 square feet of CID floor space. To determine these impacts, Cooperative Strategies utilized data from the Census and SJCOG. Based on this data, approximately 54.79 percent of the employed persons within the School District are estimated to live within the School District. This trend is expected to increase as new residential and CID projects are approved and additional homes and jobs are created within the School District.

Multiplying total household impacts shown in Table 6 by the estimated propensity to live and work within the School District factor of 54.79 percent results in the school district household impacts per 1,000 square feet of CID. These are shown in Table 7.



**Table 7**  
**School District Household Impacts per 1,000 Square Feet CID**

<b>CID Land Use Category</b>	<b>School District Household Impacts</b>
Retail and Services	0.7675
Office	1.1996
Research and Development	1.0428
Industrial/Warehouse/Manufacturing	0.9247
Hospital	0.9530
Hotel/Motel	0.3885
Self-Storage	0.0221

### **B.3 Net School District Household Impacts**

Net school district household impacts equal the number of school district household impacts by CID category per 1,000 square feet of commercial/industrial floor space that will occupy new housing units within the School District. These impacts are based on the propensity to occupy new housing within the general area of the School District.

Data on recent resales and new home sales was obtained from CoreLogic. Based on this data, new home sales in the School District were estimated to equal 22.71 percent of the total housing units which will experience occupant turnover during the period considered in the Study.

Multiplying school district household impacts shown in Table 7 by 22.71 percent results in the net school district household impacts per 1,000 square feet of CID shown in Table 8. As noted in Section III, only net school district households are assumed to generate potential new students, thereby increasing school facilities costs to the School District.

**Table 8**  
**Net School District Household Impacts per 1,000 Square Feet CID**

<b>CID Land Use Category</b>	<b>Net School District Household Impacts</b>
Retail and Services	0.1743
Office	0.2724
Research and Development	0.2368
Industrial/Warehouse/Manufacturing	0.2100
Hospital	0.2164
Hotel/Motel	0.0882
Self-Storage	0.0050

### **C. Student Generation Impacts**

As noted in Section III, student generation impacts equal the number of the School District's students associated with each category of CID space. Separate student generation impacts are estimated for each CID category and school level.

#### **C.1 Residential Student Generation Impacts**

In order to analyze the impact on the School District's student enrollment from Future Units, Cooperative Strategies calculated SGFs for SFD units and MFA units which include condominiums, townhomes, duplexes, triplexes, and apartments. The process of determining SGFs involved cross-referencing the School District's enrollment data against residential data from the County Assessor (see the Residential Study for more information). The resulting SGFs are shown in Table 9.

**Table 9**  
**Student Generation Factors**

<b>School Level</b>	<b>Single Family Detached Units</b>	<b>Multi-family Attached Units</b>
Elementary School	0.2707	0.2058
Middle School	0.1446	0.1023
High School	0.2415	0.1222
<b>Total</b>	<b>0.6568</b>	<b>0.4303</b>

To blend the SGFs of the two (2) land uses into a single SGF for each school level, the land uses were weighted in proportion to each type's percentage of the Future Units to be constructed within the School District. Applying these weighting factors yields the following blended SGFs as shown in Table 10.

**Table 10**  
**Blended Student Generation Factors**

<b>School Level</b>	<b>Student Generation Factors</b>
Elementary School	0.2369
Middle School	0.1226
High School	0.2128
<b>Total</b>	<b>0.5723</b>

## **C.2 Total Student Generation Impacts**

Multiplying net school district household impacts shown in Table 8 by the blended SGFs shown in Table 10 results in the average student generation impacts per 1,000 square feet of CID. These average student generation impacts are shown by school level in Table 11.

**Table 11**  
**Average Student Generation Impacts per 1,000 Square Feet CID**

<b>CID Land Use Category</b>	<b>Elementary School Impacts</b>	<b>Middle School Impacts</b>	<b>High School Impacts</b>	<b>Total Student Generation Impacts <sup>[1]</sup></b>
Retail and Services	0.0413	0.0214	0.0371	0.0998
Office	0.0645	0.0334	0.0580	0.1559
Research and Development	0.0561	0.0290	0.0504	0.1355
Industrial/Warehouse/Manufacturing	0.0497	0.0257	0.0447	0.1201
Hospital	0.0513	0.0265	0.0460	0.1238
Hotel/Motel	0.0209	0.0108	0.0188	0.0505
Self-Storage	0.0012	0.0006	0.0011	0.0029
<i>[1] Numbers may not sum due to rounding.</i>				



### C.3 Inter-District Transfer Impacts

The inter-district transfer rate is determined by calculating the ratio of student transfers into the School District's schools by the number of persons employed within its boundaries. Based on information provided by the School District, total student transfers into the School District's schools for school year 2017/2018 total 102 at the elementary school level, 57 at the middle school level, and 102 at the high school level. Employment within the School District's area is estimated at 24,327 persons based on employment estimates provided by SJCOG. Table 12 shows the inter-district transfer rate by school level.

**Table 12**  
**Inter-District Transfer Rates**

<b>School Level</b>	<b>Inter-District Transfer Rate</b>
Elementary School	0.0042
Middle School	0.0023
High School	0.0042
<b>Total</b>	<b>0.0107</b>

In order to calculate total inter-district transfer impacts per 1,000 square feet of CID space, the inter-district transfer rate by school level in Table 12 must first be multiplied by the employment impact factors by CID land use category in Table 5. The resulting inter-district transfer impacts are displayed in Table 13.

**Table 13**  
**Inter-District Transfer Impacts per 1,000 Square Feet CID**

CID Land Use Category	Elementary School Inter-District Impacts	Middle School Inter-District Impacts	High School Inter-District Impacts	Total Inter-District Impacts
Retail and Services	0.0094	0.0051	0.0094	0.0239
Office	0.0147	0.0080	0.0147	0.0374
Research and Development	0.0128	0.0070	0.0128	0.0326
Industrial/Warehouse/Manufacturing	0.0113	0.0062	0.0113	0.0288
Hospital	0.0117	0.0064	0.0117	0.0298
Hotel/Motel	0.0048	0.0026	0.0048	0.0122
Self-Storage	0.0003	0.0001	0.0003	0.0007

#### **C.4 Total Student Generation Impacts**

To determine the total student generation impacts of CID on the School District, the average student generation impacts from Table 11 are added to the inter-district transfer impacts from Table 13. The resulting total student generation impacts are displayed in Table 14.

**Table 13**  
**Total Student Generation Impacts per 1,000 Square Feet CID**

CID Land Use Category	Total Elementary School Impacts	Total Middle School Impacts	Total High School Impacts	Total Student Generation Impacts <sup>[1]</sup>
Retail and Services	0.0507	0.0265	0.0465	0.1237
Office	0.0792	0.0414	0.0727	0.1933
Research and Development	0.0689	0.0360	0.0632	0.1681
Industrial/Warehouse/Manufacturing	0.0610	0.0319	0.0560	0.1489
Hospital	0.0630	0.0329	0.0577	0.1536
Hotel/Motel	0.0257	0.0134	0.0236	0.0627
Self-Storage	0.0015	0.0007	0.0014	0.0036

<sup>[1]</sup> Numbers may not sum due to rounding.

#### D. Gross School Facilities Cost Impacts

As noted in Section III, school facilities cost impacts equal the gross school facilities cost impacts (exclusive of residential revenues) associated with the total student generation impact of each CID category. These impact estimates are derived from the school facilities costs per student shown in Table 3 and the total student generation impacts shown in Table 14. Multiplying the total student generation impacts by the costs per student results in the gross school facilities cost impacts per 1,000 square feet shown in Tables 15 and 16.

**Table 15**  
**Gross School Facilities Cost Impacts for Grades K-8 within TUSD**  
**per 1,000 Square Feet CID (2018\$)**

CID Land Use Category	Elementary School Impacts	Middle School Impacts	High School Impacts	Gross School Facilities Cost Impacts <sup>[1]</sup>
Retail and Services	\$2,153	\$1,437	N/A	\$3,590
Office	\$3,363	\$2,246	N/A	\$5,609
Research and Development	\$2,926	\$1,953	N/A	\$4,879
Industrial/Warehouse/Manufacturing	\$2,590	\$1,730	N/A	\$4,320
Hospital	\$2,675	\$1,785	N/A	\$4,460
Hotel/Motel	\$1,091	\$727	N/A	\$1,818
Self-Storage	\$64	\$38	N/A	\$102

*[1] Numbers may not sum due to rounding.*



**Table 16**  
**Gross School Facilities Cost Impacts for Grades 9-12**  
**per 1,000 Square Feet of CID (2018\$)**

CID Land Use Category	Elementary School Impacts	Middle School Impacts	High School Impacts	Gross School Facilities Cost Impacts <sup>[1]</sup>
Retail and Services	N/A	N/A	\$1,510	\$1,510
Office	N/A	N/A	\$2,361	\$2,361
Research and Development	N/A	N/A	\$2,052	\$2,052
Industrial/Warehouse/Manufacturing	N/A	N/A	\$1,819	\$1,819
Hospital	N/A	N/A	\$1,874	\$1,874
Hotel/Motel	N/A	N/A	\$766	\$766
Self-Storage	N/A	N/A	\$45	\$45

*[1] Numbers may not sum due to rounding.*

#### **E. Fee Revenues**

As noted in Section III, fee revenues include two (2) components: residential revenues and potential CID School Fee revenues.

##### **E.1 Residential Revenues and Net School Facility Costs**

Residential revenue estimates of \$9,657 per residential unit within TUSD were calculated based on a weighted average of (i) the School District's current Alternative No. 2 Fee of \$5.16 per square foot within TUSD multiplied by the School District's weighted average square footage for residential units of 1,804 square feet and (ii) a weighted average mitigation obligation of \$15,743 for mitigated units located within TUSD.

Residential revenue estimates of \$6,572 for units located within BESD, JSD, and NJESD are derived from a weighted average of (i) the School District's current Alternative No. 2 Fee of \$1.26 per square foot with BESD, JSD, and NJESD multiplied by a weighted average square footage per residential unit of 1,804 for units located within BESD, JSD, and NJESD and (ii) an average mitigation obligation of \$7,617 for mitigated units located within BESD, JSD, and NJESD.

Multiplying net school district household impacts shown in Table 8 by residential revenues results in the residential revenues per 1,000 square feet of CID floor space shown in Tables 17 and 18.

**Table 17**  
**Residential Revenues per 1,000 Square Feet CID**  
**Within TUSD (2018\$)**

CID Land Use Category	Net School District Household Impacts	Average Residential Revenues	Residential Revenues
Retail and Services	0.1743	\$9,657	\$1,683
Office	0.2724	\$9,657	\$2,631
Research and Development	0.2368	\$9,657	\$2,287
Industrial/Warehouse/Manufacturing	0.2100	\$9,657	\$2,028
Hospital	0.2164	\$9,657	\$2,090
Hotel/Motel	0.0882	\$9,657	\$852
Self-Storage	0.0050	\$9,657	\$48

**Table 18**  
**Residential Revenues per 1,000 Square Feet CID**  
**Within BESD, JSD, and NJESD (2018\$)**

CID Land Use Category	Net School District Household Impacts	Average Residential Revenues	Residential Revenues
Retail and Services	0.1743	\$6,572	\$1,145
Office	0.2724	\$6,572	\$1,790
Research and Development	0.2368	\$6,572	\$1,556
Industrial/Warehouse/Manufacturing	0.2100	\$6,572	\$1,380
Hospital	0.2164	\$6,572	\$1,422
Hotel/Motel	0.0882	\$6,572	\$580
Self-Storage	0.0050	\$6,572	\$33

## E.2 Net School Facilities Cost Impacts

In order to calculate the net school facilities cost impacts per 1,000 square feet of CID, the residential revenues shown in Tables 17 and 18 were subtracted from the gross school facilities cost impacts shown in Tables 15 and 16, respectively. The results are the net school facilities cost impacts that must be funded by CID School Fees. The net school facilities cost impacts are shown in Tables 19 and 20.

**Table 19**  
**Net School Facilities Cost Impacts for Grades K-8 with TUSD**  
**per 1,000 Square Feet of CID (2018\$)**

CID Land Use Category	Gross School Facilities Cost Impacts	Residential Revenues	Net School Facilities Cost Impacts <sup>[1]</sup>
Retail and Services	\$3,590	\$1,683	\$1,907
Office	\$5,609	\$2,631	\$2,978
Research and Development	\$4,879	\$2,287	\$2,592
Industrial/Warehouse/Manufacturing	\$4,320	\$2,028	\$2,292
Hospital	\$4,460	\$2,090	\$2,370
Hotel/Motel	\$1,818	\$852	\$966
Self-Storage	\$102	\$48	\$54

*[1] Numbers may not sum due to rounding.*



**Table 20**  
**Net School Facilities Cost Impacts for Grades 9-12**  
**per 1,000 Square Feet of CID (2018\$)**

<b>CID Land Use Category</b>	<b>Gross School Facilities Cost Impacts</b>	<b>Residential Revenues</b>	<b>Net School Facilities Cost Impacts<sup>[1]</sup></b>
Retail and Services	\$1,510	\$1,145	\$365
Office	\$2,361	\$1,790	\$571
Research and Development	\$2,052	\$1,556	\$496
Industrial/Warehouse/Manufacturing	\$1,819	\$1,380	\$439
Hospital	\$1,874	\$1,422	\$452
Hotel/Motel	\$766	\$580	\$186
Self-Storage	\$45	\$33	\$12
<i>[1] Numbers may not sum due to rounding.</i>			

The net school facilities cost impacts identified in Tables 19 and 20 must be summed in order to calculate the net school facilities cost impacts for the portion of the School District serving grades K through 12. Table 21 identifies the total School Facilities cost impacts within TUSD, while Table 22 identifies the total school facilities cost impacts within BESD, JSD, and NJESD.

**Table 21**  
**Total School Facilities Cost Impacts within TUSD**  
**per 1,000 Square Feet of CID (2018\$)**

<b>CID Land Use Category</b>	<b>Net School Facilities Cost Impacts for Grades K-8</b>	<b>Net School Facilities Cost Impacts for Grades 9-12</b>	<b>Net School Facilities Cost Impacts</b>
Retail and Services	\$1,907	\$365	\$2,272
Office	\$2,978	\$571	\$3,549
Research and Development	\$2,592	\$496	\$3,088
Industrial/Warehouse/Manufacturing	\$2,292	\$439	\$2,731
Hospital	\$2,370	\$452	\$2,822
Hotel/Motel	\$966	\$186	\$1,152
Self-Storage	\$54	\$12	\$66

**Table 22**  
**Total School Facilities Cost Impacts with BESD, JSD, and NJESD**  
**per 1,000 Square Feet of CID (2018\$)**

<b>CID Land Use Category</b>	<b>Net School Facilities Cost Impacts for Grades K-8</b>	<b>Net School Facilities Cost Impacts for Grades 9-12</b>	<b>Net School Facilities Cost Impacts</b>
Retail and Services	N/A	\$365	\$365
Office	N/A	\$571	\$571
Research and Development	N/A	\$496	\$496
Industrial/Warehouse/Manufacturing	N/A	\$439	\$439
Hospital	N/A	\$452	\$452
Hotel/Motel	N/A	\$186	\$186
Self-Storage	N/A	\$12	\$12

### E.3 Potential Commercial/Industrial School Fee Revenues

Potential commercial/industrial School Fee revenues equal \$610 per 1,000 square feet of commercial/industrial development. This School Fee is based on the current maximum commercial/industrial School Fee of \$0.61 per square foot.

Pursuant to the School District's revenue sharing agreement with BESD, JSD, and NJESD, the maximum potential CID School Fee revenues equal 25 percent of the School Fee, or up to \$0.153 per square foot of CID. Justification of the CID School Fee is based on a comparison of net school facilities cost impacts with the School District's share of the maximum CID School Fee revenues of \$153 per 1,000 square feet.

### F. Justification of Commercial/Industrial School Fees

Dividing net school facilities cost impacts shown in Table 21 by \$610 for each land use category results in the cost-revenue ratios shown in Table 23, while dividing net school facilities cost impacts shown in Table 22 by \$153 for each land use category results in the cost-revenue ratios shown in Table 24. The cost-revenue ratios determine whether the maximum CID School Fee can be justified. In calculating the ratios, only net school facilities cost impacts are considered in comparison to the CID School Fee revenues.

**Table 23**  
**Cost Revenue Ratios within TUSD**

<b>CID Land Use Category</b>	<b>Cost-Revenue Ratio</b>	<b>Maximum CID School Fee per Square Foot</b>
Retail and Services	3.7246	\$0.61
Office	5.8180	\$0.61
Research and Development	5.0623	\$0.61
Industrial/Warehouse/Manufacturing	4.4770	\$0.61
Hospital	4.6262	\$0.61
Hotel/Motel	1.8885	\$0.61
Self-Storage	0.1082	\$0.066



**Table 24**  
**Cost Revenue Ratios within TUSD**

<b>CID Land Use Category</b>	<b>Cost-Revenue Ratio</b>	<b>Maximum CID School Fee per Square Foot</b>
Retail and Services	2.3856	\$0.153
Office	3.7320	\$0.153
Research and Development	3.2418	\$0.153
Industrial/Warehouse/Manufacturing	2.8693	\$0.153
Hospital	2.9542	\$0.153
Hotel/Motel	1.2157	\$0.153
Self-Storage	0.0784	\$0.012

On January 24, 2018, the SAB increased the maximum CID School Fee authorized by Section 17620 of the Education Code from \$0.56 to \$0.61 per square foot for unified school districts. This amount represents the maximum the School District can receive from new CID in TUSD. Justification of the CID School Fee is based on a comparison of net school facilities cost impacts with the maximum CID School Fee revenues of \$610 per 1,000 square feet. As shown in Table 23, the School District is justified in levying the maximum School Fee of \$0.61 per square foot, or \$610 per 1,000 square feet of CID, on future CID for all land use categories in TUSD, except for the self-storage category, where it is justified in levying a School Fee of \$0.066 per square foot, or \$66 per 1,000 square feet of CID.

Additionally, pursuant to the School District's revenue sharing agreement with BESD, JSD, and NJESD, the maximum the School District can receive from new CID is approximately 25 percent of the School Fees, or \$0.153 per square foot of CID constructed within its boundaries. Justification of the CID School Fee is based on a comparison of net school facilities cost impacts with the School District's portion of the maximum commercial/industrial School Fee revenues per 1,000 square feet. As net school facilities cost impacts for all CID categories are higher than the School District's portion of the maximum CID School Fee revenues, the levy of the maximum CID School Fee of \$0.153 per square foot, or \$153 per 1,000 square feet, for all CID land use within the portion of the School District served by BESD, JSD, and NJESD is justified, except for the self-storage category, where it is justified in levying a School Fee of \$0.012 per square foot, or \$12 per 1,000 square feet of CID, as shown in Table 24.

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**COOPERATIVE  
STRATEGIES**

COMPLETE FINANCIAL & DEMOGRAPHIC PLANNING FOR EDUCATION

**TRACY UNIFIED SCHOOL DISTRICT**

**RESIDENTIAL DEVELOPMENT SCHOOL FEE  
JUSTIFICATION STUDY**

**MARCH 2, 2018**

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## EXHIBITS

- EXHIBIT A:** Current SAB Form 50-02  
**EXHIBIT B:** Updated School Facilities Capacity Calculation  
**EXHIBIT C:** Adjusted School Facilities Capacity Calculation  
**EXHIBIT D:** Updated School Facilities Cost Estimates



## EXECUTIVE SUMMARY

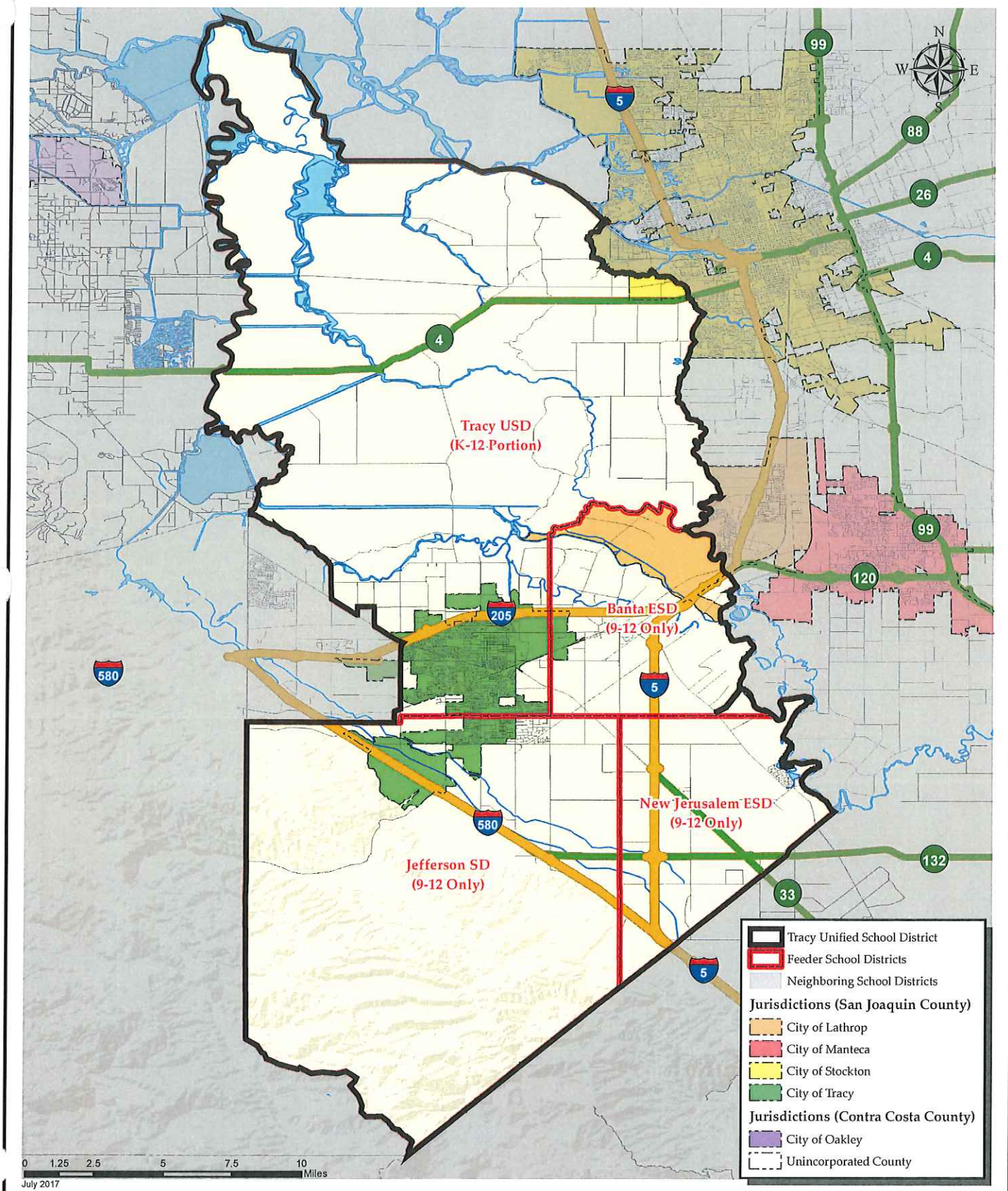
This Residential Development School Fee Justification Study ("Study") is intended to determine the extent to which a nexus can be established in the Tracy Unified School District ("School District") between residential development and (i) the need for school facilities, (ii) the cost of school facilities, and (iii) the amount of statutory school fees ("School Fees") per residential building square foot that may be levied for schools pursuant to the provisions of Section 17620 of the Education Code, as well as Sections 65995 and 66001 of the Government Code.

The School District provides education to students in grades kindergarten through 12 ("TUSD" or "K-12 Portion") residing within a portion of the cities of Lathrop, Stockton, and Tracy (collectively, "Cities") and a portion of the unincorporated County of San Joaquin ("County"). The School District also provides education for students in grades 9 through 12 residing in the Banta Elementary School District ("BESD"), Jefferson School District ("JSD"), and New Jerusalem Elementary School District ("NJESD") (please see map on following page for a geographic profile of the School District). Collectively, the School District's school facilities in school year 2017/2018 have a capacity of 17,311 students per Section 17071.10(a) of the Education Code, of which 6,442 are at the elementary school level (i.e., grades kindergarten through 6), 2,596 are at the middle school level (i.e., grades 7 and 8), and 8,273 are at the high school level (i.e., grades 9 through 12). These capacities include seats from all new school facility construction projects funded by the State of California ("State"), and teaching stations purchased by the School District without State funding (see Exhibit A for SAB Form 50-02 and Exhibit B for an updated school facilities capacity calculation). Based on data provided by the School District, student enrollment is 14,921 in school year 2017/2018. Comparing student enrollment to facilities capacity reveals that student enrollment exceeds facilities capacity at the middle school level while facilities capacity exceeds student enrollment at the elementary school and high levels in school year 2017/2018 (please see Section IV for more information on student enrollment and facilities capacity).

To establish a nexus and a justifiable residential School Fee level, the Study evaluated the number and cost of new facilities required to house students generated from future residential development within the School District. Based on data provided by the San Joaquin Council of Governments ("SJCOC") and the Cities, approximately 21,070 additional residential units could be constructed within the School District's boundaries through calendar year 2035 ("Future Units"). Of these 21,070 Future Units, 14,126 single family detached ("SFD") units and 2,822 multi-family attached ("MFA") units have mitigated their impact on the School District through the execution of a mitigation agreement wherein units pay fees separate of School Fees or alternative school facility fees ("Alternative Fees"). Of the remaining 4,122 Future Units that have not mitigated their impacts on the School District, 1,872 are expected to be SFD units while 2,250 are expected to be MFA units.



# TRACY UNIFIED SCHOOL DISTRICT GEORAPHIC PROFILE





To determine the impact on the School District from non-mitigated Future Units, the Study first multiplied the number of non-mitigated Future Units by the student generation factors ("SGFs") calculated by Cooperative Strategies, to determine the projected student enrollment from non-mitigated Future Units. The results were that 970 unhoused elementary school students, 501 unhoused middle school students, and 727 unhoused high school students are anticipated to be generated from non-mitigated Future Units ("Projected Unhoused Students").

To adequately house the Projected Unhoused Students, the School District will need to construct new elementary school and middle school, and expand existing high school facilities. Using design capacities of 645 students at the elementary school level, 954 students at the middle school level, and 27 students per classroom at the high school level, the School District will need to construct at least two (w) new elementary schools, one (1) new middle school, and 27 new high school classrooms to accommodate the Projected Unhoused Students from the non-mitigated Future Units projected to be constructed at this time. Based on school facility cost estimates prepared by Cooperative Strategies, an elementary school is projected to cost \$26,874,056 and a middle school is projected to cost \$50,979,990. The cost of expanding the high school facilities by adding additional teaching stations is based on per-pupil grant amounts established by Senate Bill ("SB") 50.

In addition to the school facilities cost impacts, the School District will experience Central Administrative and Support Facilities cost impacts. In January 1994, the State Allocation Board ("SAB") approved a policy of four (4) square feet of Central Administrative and Support Facilities per student, which based on School District cost estimates equates to a per-student cost of \$800. Multiplying these costs by the facilities needed and the students generated yielded the total school facilities cost impacts shown in Table ES-1.



**Table ES-1**  
**Total School Facilities Cost Impacts (2018\$)**

<b>School Level</b>	<b>Cost per Facility/ Teaching Station/ Student</b>	<b>Facilities/ Teaching Stations Required/Students Generated</b>	<b>Total School Facilities Cost Impacts</b>
Elementary School	\$26,874,056	1.5039	\$40,415,893
Middle School	\$50,979,990	0.5252	\$26,774,691
Central Admin. Impacts	\$800	1,471	\$1,176,800
<b>Total</b>	<b>N/A</b>	<b>N/A</b>	<b>\$68,367,384</b>
High School	\$855,252	26.9259	\$23,028,430
Central Admin. Impacts	\$800	727	\$581,600
<b>Total</b>	<b>N/A</b>	<b>N/A</b>	<b>\$23,610,030</b>

The amounts listed in Table ES-1 were apportioned to each land use class based on the number of students generated from such residential land use. Thereafter, the school facilities cost impacts for each land use class were divided by the number of non-mitigated Future Units to calculate the school facilities cost impacts per residential unit. Table ES-2 below lists the school facilities cost impacts per residential unit.

**Table ES-2**  
**School Facilities Cost Impacts per Residential Unit (2018\$)**

<b>Land Use</b>	<b>Total School Facilities Cost Impacts</b>	<b>Non-Mitigated Future Units</b>	<b>School Facilities Cost Impacts per Residential Unit</b>
K-8 Impacts of SFD Units	\$36,229,912	1,872	\$19,354
K-8 Impacts of MFA Units	\$32,137,472	2,250	\$14,283
9-12 Impacts of SFD Units	\$14,679,138	1,872	\$7,841
9-12 Impacts of MFA Units	\$8,930,892	2,250	\$3,969

To determine the school facilities cost impacts per square foot of residential construction, the school facilities cost impacts per unit were divided by the average square footage of a residential unit in each land use class. Table ES-3 lists the school facilities cost impacts per average residential square foot.

**Table ES-3**  
**School Facilities Cost Impacts per Residential Square Foot (2018\$)**

Land Use	School Facilities Cost Impacts per Non-Mitigated Future Unit	Average Square Footage	School Facilities Cost Impacts per Residential Square Foot
K-8 Impacts of SFD Units	\$19,354	2,350	\$8.24
K-8 Impacts of MFA Units	\$14,283	1,349	\$10.59
9-12 Impacts of SFD Units	\$7,841	2,350	\$3.34
9-12 Impacts of MFA Units	\$3,969	1,349	\$2.94

The school facilities cost impacts identified in Table ES-3 must be summed in order to calculate the total school facilities cost impacts for the K-12 Portion of the School District. Table ES-4 identifies the total school facilities cost impacts within TUSD, while Table ES-5 identifies the total school facilities cost impacts within BESD, JSD, and NJESD.

**Table ES-4**  
**Total School Facilities Cost Impacts within TUSD**  
**per Residential Square Foot (2018\$)**

Land Use	K-8 School Facilities Cost Impacts per Square Foot	9-12 School Facilities Cost Impacts per Square Foot	K-8 School Facilities Cost Impacts per Square Foot
SFD Units	\$8.24	\$3.34	\$11.58
MFA Units	\$10.59	\$2.94	\$13.53



**Table ES-5**  
**Total School Facilities Cost Impacts within BESD, JSD, and NJESD**  
**per Residential Square Foot (2018\$)**

Land Use	K-8 School Facilities Cost Impacts per Square Foot	9-12 School Facilities Cost Impacts per Square Foot	K-8 School Facilities Cost Impacts per Square Foot
SFD Units	N/A	\$3.34	\$3.34
MFA Units	N/A	\$2.94	\$2.94

On January 24, 2018, the SAB increased the maximum residential School Fee authorized by Section 17620 of the Education Code from \$3.48 to \$3.79 per residential building square foot for unified school districts. As shown in Table ES-4, based on the square footage of the average residential unit constructed within the School District, the School Fees would provide for less than 100 percent of the school facilities cost impacts. Therefore, the Study concludes that the School District is fully justified in levying the maximum residential School Fee of \$3.79 per square foot for all new non-mitigated residential development within its boundaries.

Based on the School District's fee sharing agreements with the BESD, JSD, and NJESD, the School District can collect up to 25 percent, or \$0.95 per square foot, for all new non-mitigated Future Units built within the portion of the School District served by BESD, JSD, and NJESD. As shown Table ES-5, the School District's share of the current maximum School Fee is less than the school facilities cost impacts per square foot. Therefore, the School District is fully justified in levying \$0.95 per square foot for all new non-mitigated residential development within the portion of the School District served by BESD, JSD, and NJESD, which represents its portion of the maximum residential School Fee.



## I. INTRODUCTION

SB 50, which Governor Wilson signed on August 27, 1998, was enacted on November 4, 1998, following the approval of Proposition 1A by the voters of the State in the general election on November 3, 1998. SB 50 includes provisions for the following:

1. Issuance of State general obligation bonds in an amount not to exceed \$9.2 billion;
2. Reformation of the State School Building Program; and
3. Reformation of the School Fee mitigation payment collection procedure.

Additionally, Assembly Bill ("AB") 16, which Governor Davis signed on April 26, 2002, was enacted following the approval of Proposition 47 ("Prop 47") by the voters of the State in the general election on November 5, 2002. Prop 47 includes the authorization for issuance of State general obligation bonds in the amount of \$13.05 billion, and AB 16 provides for additional reformation of the State School Building Program into the School Facilities Program. On March 2, 2004, the voters of the State approved Proposition 55 ("Prop 55"). Prop 55 includes the authorization for the additional issuance of State general obligation bonds in the amount of \$12.3 billion. Finally AB 127, which Governor Schwarzenegger signed on May 20, 2006, was enacted following the approval of Proposition 1D ("Prop 1D") by the voters of the State in the general election of November 7, 2006. Prop 1D includes the authorization for the issuance of State general obligation bonds in the amount of \$10.4 billion.

The Mira-Hart-Murrieta Decisions, which formerly permitted school districts to collect mitigation payments in excess of School Fees under certain circumstances, are suspended by AB 127. In lieu of the powers granted by the Mira-Hart-Murrieta Decisions, SB 50 and subsequent legislation provide school districts with a reformed School Fee collection procedure that, subject to certain conditions, authorizes school districts to collect Alternative Fees on residential developments. However, not all school districts will qualify to charge Alternative Fees, and Alternative Fees are generally not imposed upon residential units that have existing agreements with a school district.

Therefore, school districts must still rely on School Fees as a funding source for school facilities required by new development. However, before a school district can levy School Fees on new development, State law requires that certain nexus findings must be made and documented. The objective of this Study is to provide a rigorous basis for such findings.

## II. LEGISLATION

State legislation, specifically AB 2926 and AB 1600, provides guidelines, procedures, and restrictions on the levy of School Fees for school facilities. Certain provisions of this legislation are summarized below:

### A. AB 2926

AB 2926 was enacted by the State in 1986. Among other things, AB 2926 added various sections to the Government Code which authorize school districts to levy School Fees on new residential and commercial/industrial developments in order to pay for school facilities. In addition, AB 2926 provides for the following:

1. No city or county can issue a building permit for a development project unless such School Fees have been paid.
2. School Fees for commercial/industrial development must be supported by the finding that such School Fees "are reasonably related and limited to the needs for schools caused by the development."
3. School Fees for 1987 were limited to \$1.50 per square foot on new residential construction and \$0.25 per square foot for new commercial/industrial construction.
4. Every year, School Fees are subject to annual increases based on the Statewide cost index for Class B construction, as determined by the SAB at its January meeting (This provision was changed to every other year by AB181).

The provisions of AB 2926 have since been expanded and revised by AB 1600.

## B. AB 1600

AB 1600, which created Sections 66000 et seq. of the Government Code, was enacted by the State in 1987. AB 1600 requires that all public agencies satisfy the following requirements when establishing, increasing or imposing a fee as a condition of approval for a development project.

1. Determine the purpose of the fee.
2. Identify the facilities to which the fee will be put.
3. Determine that there is a reasonable relationship between the need for public facilities and the type of development on which a fee is imposed.
4. Determine that there is a reasonable relationship between the amount of the fee and the public facility or portion of the public facility attributable to the development on which the fee is imposed.
5. Provide an annual accounting of any portion of the fee remaining unexpended, whether committed or uncommitted, in the School District's accounts five or more years after it was collected.

In other words, AB 1600 limits the ability of a school district to levy School Fees unless (i) there is a need for the School Fee revenues generated and (ii) there is a nexus or relationship between the need for School Fee revenues and the type of development project on which the School Fee is imposed. (The requirements of AB 1600 were clarified with the passage in 2006 of AB 2751, which codifies the findings of *Shapell Industries vs. Milpitas Unified School District*.) The Study will provide information necessary to establish such a nexus between School Fees and residential development.



### **III. METHODOLOGY OF STUDY**

The School District is projecting an increase in student enrollment attributable to new residential development in future years. This projected growth will create a demand for new school facilities to be constructed within the School District and the need to incur significant school facilities costs to meet that demand. As a result, the School District has determined that School Fees should be levied on new development projects. In particular, the School District has determined that School Fees must be levied on new residential projects, if findings can be made that such projects will lead to higher student enrollment and increased facilities costs. The objective of the Study is to provide a basis for such findings consistent with the requirements of AB 2926, AB 1600, and the provisions of Section 66001 of the Government Code.

#### **A. Overview of Methodology**

In order to evaluate the existence of a nexus, the Study identifies and analyzes the various connections or linkages between residential development and (i) the need for school facilities, (ii) the cost of school facilities, and (iii) the amount of School Fees that can justifiably be levied. The primary linkages identified include the following:

1. Housing projections (i.e., the projected number of residential units to be constructed within the School District);
2. Student generation (i.e., the number of students generated from a residential unit within the School District);
3. Facility requirements (i.e., the number of new school facilities required to house students generated from new residential units);
4. School facilities cost impacts (i.e., the costs to the School District associated with the construction of new school facilities); and
5. School Fee requirements (i.e., the School District's need to levy School Fees to cover the cost of new school facilities).

The above linkages result in a series of impacts which (i) connect new residential development with increased school facilities costs and (ii) connect School Fees per residential building square foot with increased facilities costs. These impacts are identified for two (2) residential land uses; SFD units and MFA units (e.g., condominiums, apartments, townhomes, duplexes, etc.). These "linkage impacts" include four (4) major types:

1. Residential Unit Projections
2. Student Generation Factors
3. School Facilities Cost Impacts
4. Maximum School Fee Revenues

**B. Residential Unit Projections**

The number of Future Units to be constructed within the boundaries of the School District was determined based on information provided by SJCOG and the planning departments of the Cities.

**C. Student Generation Factors**

SGFs by school level (e.g., elementary school, middle school, and high school) for each of the residential land use categories were calculated by Cooperative Strategies. Cooperative Strategies calculated SGFs for the School District through an analysis which consisted of cross-referencing the School District's actual enrollment data against residential data from the Office of the Assessor for the County ("County Assessor").

**D. School Facilities Cost Impacts**

School facilities cost impacts were calculated by determining the additional elementary school, middle school, and high school facilities needed to adequately house students generated from Future Units and the total cost for those school facilities. School facilities costs are based on estimates prepared by Cooperative Strategies and are attached and incorporated herein as Exhibit C.

**E. Maximum School Fee Revenues**

Maximum School Fee revenues for residential development were based on the current maximum residential School Fee authorized by the SAB (currently \$3.79 per square foot) under AB 2926.

Based on the current fee sharing arrangement of the School District with BESD, JSD, and NJESD, the School District may collect up to 25 percent of the current maximum School Fee or \$0.95 per square foot of new residential construction within the portion of the School District served by BESD, JSD, and NJESD.

**F. Comparison of School Facilities Cost Impacts and Maximum School Fee Revenues**

If school facilities cost impacts per residential square foot are greater than maximum School Fee revenues, then the levy of the maximum residential School Fee is justified to cover as much of school facilities cost impacts per residential square foot as possible. Should school facilities cost impacts per residential square foot be less than maximum School Fee revenues, then only a School Fee equivalent to the school facilities cost impacts per residential square foot can be justified to cover facilities needs generated by future residential development. Under this latter circumstance, the School District would not be justified in imposing the maximum residential School Fee per square foot.



#### IV. FACILITIES CAPACITY AND STUDENT ENROLLMENT

In order to determine whether the School District's existing school facilities contain excess capacity to house students generated by new residential development, school year 2017/2018 student enrollment and school facilities capacity of the School District were evaluated.

Collectively, the School District's school facilities in school year 2017/2018 have a capacity of 17,311 students per Section 17071.10(a) of the Education Code. This capacity includes seats from all new school facility construction projects funded by the State and teaching stations purchased by the School District without State funding (see Exhibit A for SAB Form 50-02 and Exhibit B for an updated school facilities capacity calculation). Of these 17,311 existing seats, 6,442 are at the elementary school level, 2,596 are at the middle school level, and 8,273 are at the high school level. (The school level configuration of the School District has been altered to be consistent with the SAB Form 50-02.) The enrollment of the School District in school year 2017/2018 is 14,921 students. As shown in Table 1 below, the School District's student enrollment exceeds facilities capacity at the middle school level while the facilities capacity exceeds student enrollment at the elementary school and high school levels in school year 2017/2018.

**Table 1**  
**Existing School Facilities Capacity and Student Enrollment**

School Level <sup>[1]</sup>	2017/2018 Facilities Capacity <sup>[2]</sup>	2017/2018 Student Enrollment <sup>[3]</sup>	Excess/ (Shortage) Capacity
Elementary School (Grades K-6)	6,442	5,919	523
Middle School (Grades 7-8)	2,596	3,214	(618)
High School (Grades 9-12)	8,273	5,788	2,485
<b>Total</b>	<b>17,311</b>	<b>14,921</b>	<b>2,390</b>
<i>[1] The School District's school level configuration has been altered to be consistent with SAB Form 50-02. [2] SAB Form 50-02 (Exhibit A) plus additional State funded capacity and teaching stations purchased by the School District (Exhibit B). [3] 2017/2018 student enrollment provided by the School District.</i>			

The capacities identified in Table 1 include capacity associated with relocatable classrooms that have exceed the 20-year useful life of such classroom types. Because these teaching stations have exceeded their useful life, the Study incorporates an adjusted school facilities capacity calculation which excludes these relocatable classrooms. Based on this calculation, it has been determined that the elementary school capacity consists of 4,014 seats (grades K-5), the middle school capacity consists of 2,390 seats (grades 6-8), and the high school capacity consists of 6,183 seats (see Exhibit C for the adjusted school facilities capacity calculation). As shown in Table 2, student enrollment exceeds the adjusted school facilities capacity at the elementary school and middle school levels while the adjusted school facilities capacity exceeds student enrollment at the high school level.

**Table 2**  
**Adjusted School Facilities Capacity and Student Enrollment**

School Level	2017/2018 Facilities Capacity <sup>[1]</sup>	2017/2018 Student Enrollment <sup>[2]</sup>	Excess/ (Shortage) Capacity
Elementary School (Grades K-5)	4,014	5,919	(1,905)
Middle School (Grades 6-8)	2,390	3,214	(824)
High School (Grades 9-12)	6,183	5,788	395
<b>Total</b>	<b>12,587</b>	<b>14,921</b>	<b>(2,334)</b>
<i>[1] See Exhibit C for the Adjusted School Facilities Capacity Calculation.</i>			
<i>[2] 2017/2018 student enrollment provided by the School District.</i>			

As indicated in Table 1, 395 high school seats are available to house students generated from Future Units.



## V. IMPACT OF RESIDENTIAL DEVELOPMENT ON SCHOOL FACILITIES NEEDS

As discussed in Section III, the objective of the Study is to determine the appropriateness of the imposition of a School Fee on residential property to finance school facilities necessitated by students to be generated from new residential development. Section III outlined the methodology which was employed in the Study to meet that objective. Section V is a step-by-step presentation of the results of the analysis.

### A. Projected Residential Development within the School District

The initial step in developing a nexus as required by AB 2926 and AB 1600 is to determine the number of Future Units to be constructed within the School District's boundaries. Based on information provided by SJCOG and the Cities, Cooperative Strategies has estimated that the School District could experience the construction of approximately 21,070 Future Units through calendar year 2035. Of these 21,070 Future Units, 14,126 SFD units and 2,822 MFA units have already mitigated their impacts on the School District through the execution of a mitigation agreement wherein such units pay fees separate from School Fees and Alternative Fees. Of the remaining 4,122 Future Units that have not mitigated their impacts on the School District, 1,872 are expected to be SFD units while 2,250 are expected to be MFA units. Table 3 distinguishes between mitigated and non-mitigated Future Units by land use.

**Table 3**  
**Future Units**

<b>Land Use</b>	<b>Mitigated Future Units</b>	<b>Non-Mitigated Future Units</b>	<b>Total Future Units</b>
SFD Units within TUSD <sup>[1]</sup>	218	1,872	2,090
MFA Units within TUSD <sup>[1]</sup>	18	2,250	2,268
<b>Total Units within TUSD</b>	<b>236</b>	<b>4,122</b>	<b>4,358</b>
Total SFD Units <sup>[2]</sup>	14,126	1,872	15,998
Total MFA Units <sup>[2]</sup>	2,822	2,250	5,072
<b>Total Units</b>	<b>16,948</b>	<b>4,122</b>	<b>21,070</b>
<i>[1] K-12 portion of the School District only.</i>			
<i>[2] Area served by the entire School District.</i>			



## **B. Reconstruction**

Reconstruction is the act of replacing existing structures with new construction, which may have an alternative land use (i.e., commercial/industrial versus residential) or may consist of different residential unit types (i.e., SFD vs. MFA, etc.).

### **B1. Residential Reconstruction**

Residential Reconstruction consists of voluntarily demolishing existing residential units and replacing them with new residential development. To the extent Reconstruction increases the residential square footage beyond what was demolished ("New Square Footage"), the increase in square footage is subject to the applicable School Fee as such construction is considered new residential development. As for the amount of square footage constructed that replaces only the previously constructed square footage ("Replacement Square Footage"), the determination of the applicable fee, if any, is subject to a showing that the Replacement Square Footage results in an increase in student enrollment and, therefore, an additional impact being placed on the School District to provide school facilities for new student enrollment.

Prior to the imposition of fees on Replacement Square Footage, the School District shall undertake an analysis on any future proposed projects(s) to examine the extent to which an increase in enrollment can be expected from Replacement Square Footage due to any differential in SGFs as identified in the Study for the applicable unit types between existing square footage and Replacement Square Footage. Any such fee that is calculated for the Replacement Square Footage shall not exceed the School Fee that is in effect at such time.

### **B2. Reconstruction of Commercial/Industrial Construction into Residential Construction**

The voluntary demolition of existing commercial/industrial buildings and replacement of them with new residential development is a different category of Reconstruction. Cooperative Strategies is aware that such types of Reconstruction may occur within the School District in the future, however, Cooperative Strategies was unable to find information (i) about the amount planned within the School District in the future or (ii) historical levels, which might indicate the amount to be expected in the future. Due to the lack of information, the School District has decided to evaluate the impacts of Commercial/Industrial Reconstruction projects on a case-by-case basis and will make a determination of whether a fee credit is justified based on the nature of the project.

### C. Student Generation Factors per Residential Unit

In order to analyze the impact on the School District's student enrollment from non-mitigated Future Units, Cooperative Strategies calculated SGFs for SFD and MFA units. The process of determining SGFs involved cross-referencing the School District's enrollment data against the County Assessor(s) residential data.

Sorting and extracting the County Assessor(s) records by land use, Cooperative Strategies developed a database of 25,066 SFD units, of which 20,210 are located within the K-12 Portion of the School District. This database was then compared with the School District's student enrollment database to identify address matches. Upon comparison of the two (2) databases, 13,668 student matches were found, resulting in the SGFs shown in Table 4.

**Table 4**  
**Student Generation Factors for Single Family Detached Units**

School Level	Students Matched	Single Family Detached Units	Student Generation Factors
Elementary School (Grades K-6) <sup>[1]</sup>	5,157	20,210	0.2552
Middle School (Grades 7-8) <sup>[1]</sup>	2,770	20,210	0.1371
High School (Grades 9-12) <sup>[2]</sup>	5,741	25,066	0.2290
<b>Total</b>	<b>13,668</b>	<b>N/A</b>	<b>0.6213</b>

*[1] K-12 portion of the School District only.*

*[2] Area served by the entire School District.*

A procedure identical to the one used in calculating the SGFs for SFD units was used to determine SGFs for MFA units. A total of 1,759 students matched to the MFA database which consisted of 4,453 units, of which 4,272 are located within the K-12 Portion of the School District. The resulting SGFs for MFA units are shown in Table 5 below.



**Table 5**  
**Student Generation Factors for Multi-family Attached Units**

School Level	Students Matched	Multi-family Attached Units	Student Generation Factors
Elementary School (Grades K-6) <sup>[1]</sup>	829	4,272	0.1941
Middle School (Grades 7-8) <sup>[1]</sup>	414	4,272	0.0969
High School (Grades 9-12) <sup>[2]</sup>	516	4,453	0.1159
<b>Total</b>	<b>1,759</b>	<b>N/A</b>	<b>0.4069</b>
<i>[1] K-12 portion of the School District only.</i>			
<i>[2] Area served by the entire School District.</i>			

However, due to incomplete and incorrect address information in both the student enrollment and residential databases, Cooperative Strategies was unable to match all of the School District's students. The results are SGFs that understate the number of students generated by SFD and MFA units. After accounting for incoming interdistrict students that reside outside of the School District's boundaries, there were 895 unmatched students. Therefore, Cooperative Strategies adjusted the SGFs listed in Tables 4 and 5 based on a rate which considers the number of students successfully matched to a school level and land use. The adjusted SGFs for each land use by school level are shown in Table 6.

**Table 6**  
**Adjusted Student Generation Factors**

School Level	Single Family Detached Units	Multi-family Attached Units
Elementary School	0.2707	0.2058
Middle School	0.1446	0.1023
High School	0.2415	0.1222
<b>Total</b>	<b>0.6568</b>	<b>0.4303</b>

#### **D. School District Facilities Requirements**

By multiplying the non-mitigated Future Units as listed in Table 3 by the SGFs identified in Table 6, the Study determined the projected number of new students to be generated from non-mitigated Future Units. The Projected Student Enrollment by school level is shown in Table 7.



**Table 7**  
**Projected Student Enrollment from Future Units**

<b>School Level</b>	<b>Projected Student Enrollment from Mitigated Future Units</b>	<b>Projected Student Enrollment from Non-Mitigated Future Units</b>	<b>Projected Student Enrollment from Future Units</b>
Elementary School	63	970	1,033
Middle School	34	501	535
High School	3,756	727	4,483
<b>Total</b>	<b>3,853</b>	<b>2,198</b>	<b>6,051</b>

As indicated in Section IV, 395 surplus high school seats are available to accommodate the Projected Student Enrollment. As shown above in Table 7, mitigated Future Units are projected to generate 3,756 high school students. These surplus seats must be reserved for students generated from these mitigated homes. Therefore, with no surplus seats available to offset the impact of high school students generated from non-mitigated Future Units, the Projected Student Enrollment is the same as the Projected Unhoused Students. Table 8 below shows the Projected Unhoused Students from non-mitigated Future Units by unity type and school level.

**Table 8**  
**Projected Student Enrollment from Future Units**

<b>School Level</b>	<b>Projected Student Enrollment from Non-Mitigated Future SFD Units</b>	<b>Projected Student Enrollment from Non-Mitigated Future MFA Units</b>	<b>Projected Unhoused Students from Non-Mitigated Future Units</b>
Elementary School	507	463	970
Middle School	271	230	501
High School	452	275	727
<b>Total</b>	<b>1,230</b>	<b>968</b>	<b>2,198</b>

To determine the number of elementary school, middle school, and high school facilities necessary to adequately house the Projected Unhoused Students, Cooperative Strategies divided the Projected Unhoused Students by the estimated school facilities capacity at each school level, as provided by the School District. The additional school facilities requirements are identified in Table 9.

**Table 9**  
**Additional School Facilities for Projected Unhoused Students**

School Level	Projected Unhoused Students	Estimated Facilities/ Teaching Station Capacity	Additional Facilities/ Teaching Stations Needed
Elementary School	970	645	1.5039
Middle School	501	954	0.5252
High School	727	27	26.9259

**E. School District Facilities Costs**

School facilities cost estimates at the elementary school and middle school levels were prepared by Cooperative Strategies. These school facilities costs represent the full cost of site acquisition, site development, construction, furniture and equipment, as well as technology. The cost of expanding the existing high school school facilities by adding additional teaching stations is based on per-pupil grant amounts established by SB 50. It must be noted that the facilities costs are in 2018 dollars and do not include interest costs associated with debt incurred to finance the construction of facilities. The estimated site acquisition and facility construction costs by school level are shown in Table 10 while the costs for each component of the school facilities construction are listed in Exhibit C.

**Table 10**  
**Estimated School Facilities Costs (2018\$)**

School Level	Site Acquisition Costs	Facility Construction Costs	Estimated Total Cost per Facility OR Teaching Station
Elementary School	\$5,301,030	\$21,573,026	\$26,874,056
Middle School	\$7,456,110	\$43,523,880	\$50,979,990
High School	N/A	\$855,252	\$855,252



The costs in Table 10 do not include costs associated with Central Administrative and Support Facilities. As indicated in Table 8, non-mitigated Future Units will cause the enrollment of the School District to increase by approximately 2,198 students. In accordance with the Provisions of Chapter 341, Statutes of 1992, SB 1612, the SAB adopted a report on January 26, 1994, requiring approximately four (4) square feet of central administrative and support facilities for every student. Based on this report and the estimated cost per square foot to construct and furnish these types of facilities, the Study incorporates a Central Administrative and Support Facilities cost impact of \$800 per student.

#### F. Total School Facilities Cost Impacts

To determine the total school facilities cost impacts caused by non-mitigated Future Units, Cooperative Strategies (i) multiplied the school facilities costs (Table 10) by the additional school facilities needed (Table 98) and (ii) multiplied the central administrative and support facilities costs per student (above paragraph) by the Projected Unhoused Students (Table 8). Table 11 illustrates the total school facilities cost impacts from non-mitigated future residential development.

**Table 11**  
**Total School Facilities Cost Impacts from Non-Mitigated Future Units (2018\$)**

Item	Cost per Facility/ Teaching Station/ Student	Facilities/ Teaching Stations Required/Students Generated	Total School Facilities Cost Impacts
Elementary School <sup>[1]</sup>	\$26,874,056	1.5039	\$40,415,893
Middle School <sup>[1]</sup>	\$50,979,990	0.5252	\$26,774,691
Central Admin. Impacts	\$800	1,471	\$1,176,800
<b>Total</b>	<b>N/A</b>	<b>N/A</b>	<b>\$68,367,384</b>
High School <sup>[2]</sup>	\$855,252	26.9259	\$23,028,430
Central Admin. Impacts	\$800	727	\$581,600
<b>Total</b>	<b>N/A</b>	<b>N/A</b>	<b>\$23,610,030</b>
<i>[1] K-12 portion of the School District only.</i>			
<i>[2] Area served by the entire School District.</i>			



### G. School Facilities Cost Impacts per Residential Unit

To determine the total school facilities cost impacts per non-mitigated future residential unit, the total school facilities cost impacts listed above need to first be apportioned by land use based on the number of elementary school, middle school, and high school students to be generated from such land use. Table 12 shows total school facilities cost impacts by land use.

**Table 12**  
**Total School Facilities Cost Impacts by Land Use (2018\$)**

School Level	Single Family Detached Units	Multi-family Attached Units	Total School Facilities Cost Impacts
Elementary School <sup>[1]</sup>	\$21,530,196	\$19,661,697	\$41,191,893
Middle School <sup>[1]</sup>	\$14,699,717	\$12,475,774	\$27,175,491
<b>Total</b>	<b>\$36,229,912</b>	<b>\$32,137,472</b>	<b>\$68,367,384</b>
High School <sup>[2]</sup>	\$14,679,138	\$8,930,892	\$23,610,030
<b>Total</b>	<b>\$14,679,138</b>	<b>\$8,930,892</b>	<b>\$23,610,030</b>

[1] K-12 portion of the School District only.  
[2] Area served by the entire School District.

Total school facilities cost impacts for each land use were then divided by the number of non-mitigated Future Units in such land use to determine school facilities cost impacts per SFD unit and MFA unit. These impacts are shown in Table 13.

**Table 13**  
**School Facilities Cost Impacts per Non-Mitigated Future Unit (2018\$)**

Land Use	Total School Facilities Cost Impacts	Non-Mitigated Future Units	School Facilities Cost Impacts per Residential Unit
K-8 Impacts of SFD Units	\$36,229,912	1,872	\$19,354
K-8 Impacts of MFA Units	\$32,137,472	2,250	\$14,283
9-12 Impacts of SFD Units	\$14,679,138	1,872	\$7,841
9-12 Impacts of MFA Units	\$8,930,892	2,250	\$3,969

## H. School Facilities Cost Impacts per Square Foot

To determine the school facilities cost impacts per square foot of residential construction for each land use, the school facilities cost impacts per unit listed in Table 13 were divided by the average square footage of such type of residential unit. Using information obtained from the Cities, Cooperative Strategies estimates that the average square footage of an SFD unit in the School District is projected to be 2,350 square feet while the average square footage of an MFA unit is projected to be 1,349 square feet. Table 14 shows the school facilities cost impacts per square foot of residential construction in the School District.

**Table 14**  
**School Facilities Cost Impacts per Residential Square Foot (2018\$)**

Land Use	School Facilities Cost Impacts per Non-Mitigated Future Unit	Average Square Footage	School Facilities Cost Impacts per Residential Square Foot
K-8 Impacts of SFD Units	\$19,354	2,350	\$8.24
K-8 Impacts of MFA Units	\$14,283	1,349	\$10.59
9-12 Impacts of SFD Units	\$7,841	2,350	\$3.34
9-12 Impacts of MFA Units	\$3,969	1,349	\$2.94

The school facilities cost impacts identified in Table 14 must be summed in order to calculate the total school facilities cost impacts for the K-12 Portion of the School District. Table 15 identifies the total school facilities cost impacts within TUSD, while Table 16 identifies the total school facilities cost impacts within BESD, JSD, and NJESD.

**Table 15**  
**Total School Facilities Cost Impacts within TUSD**  
**per Residential Square Foot (2018\$)**

Land Use	K-8 School Facilities Cost Impacts per Square Foot	9-12 School Facilities Cost Impacts per Square Foot	K-8 School Facilities Cost Impacts per Square Foot
SFD Units	\$8.24	\$3.34	\$11.58
MFA Units	\$10.59	\$2.94	\$13.53



**Table 16**  
**Total School Facilities Cost Impacts within BESD, JSD, and NJESD**  
**per Residential Square Foot (2018\$)**

Land Use	K-8 School Facilities Cost Impacts per Square Foot	9-12 School Facilities Cost Impacts per Square Foot	K-8 School Facilities Cost Impacts per Square Foot
SFD Units	N/A	\$3.34	\$3.34
MFA Units	N/A	\$2.94	\$2.94

**I. Comparison of School Facilities Cost Impacts and School Fee Revenues per Residential Square Foot**

On January 24, 2018, the SAB increased the maximum residential School Fee authorized by Section 17620 of the Education Code from \$3.48 to \$3.79 per residential building square foot for unified school districts. As shown in Table 15, based on the square footage of the average residential unit constructed within the School District, the School Fees would provide for less than 100 percent of the school facilities cost impacts. Therefore, the Study concludes that the School District is fully justified in levying the maximum residential School Fee of \$3.79 per square foot for all new non-mitigated residential development within its boundaries.

Based on the School District's fee sharing agreements with the BESD, JSD, and NJESD, the School District can collect up to 25 percent, or \$0.95 per square foot, for all new non-mitigated Future Units built within the portion of the School District served by BESD, JSD, and NJESD. As shown Table 16, the School District's share of the current maximum School Fee is less than the school facilities cost impacts per square foot. Therefore, the School District is fully justified in levying \$0.95 per square foot for all new non-mitigated residential development within the portion of the School District served by BESD, JSD, and NJESD, which represents its portion of the maximum residential School Fee.

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**EXHIBIT A**

**Current SAB Form 50-02**



## EXISTING SCHOOL BUILDING CAPACITY

SAB 50-02 (Rev. 01/01) Excel (Rev. 01/25/2001)

SCHOOL DISTRICT

TRACY JOINT UNIFIED

COUNTY

SAN JOAQUIN

FIVE DIGIT DISTRICT CODE NUMBER (see California Public School Directory)

75499

HIGH SCHOOL ATTENDANCE AREA (if applicable)

PART I - Classroom Inventory ☐ NEW ☐ ADJUSTED

	K-6	7-8	9-12	Non-Severe	Severe	Total
Line 1. Leased State Relocatable Classrooms						
Line 2. Portable Classrooms leased less than 5 years	11	3				14
Line 3. Interim Housing Portables leased less than 5 years	1					1
Line 4. Interim Housing Portables leased at least 5 years						
Line 5. Portable Classrooms leased at least 5 years	9	5				14
Line 6. Portable Classrooms owned by district	46	23	49			118
Line 7. Permanent Classrooms	115	51	91	13	3	273
Line 8. Total (Lines 1 through 7)	182	82	140	13	3	420

## PART II - Available Classrooms

Option A	K-6	7-8	9-12	Non-Severe	Severe	Total
a. Part I, line 4						
b. Part I, line 5	9	5				14
c. Part I, line 6	46	23	49			118
d. Part I, line 7	115	51	91	13	3	273
e. Total (a, b, c, & d)	170	79	140	13	3	405

Option B	K-6	7-8	9-12	Non-Severe	Severe	Total
a. Part I, line 8	182	82	140	13	3	420
b. Part I, lines 1, 2, 5 and 6 (total only)						146
c. 25 percent of Part I, line 7 (total only)						69
d. Subtract c from b (enter 0 if negative)	35	16	26			77
e. Total (a minus d)	147	66	114	13	3	343

## PART III - Determination of Existing School Building Capacity

	K-6	7-8	9-12	Non-Severe	Severe
Line 1. Classroom capacity	3,675	1,782	3,078	169	27
Line 2. SER adjustment	221			4	1
Line 3. Operational Grants					
Line 4. Greater of line 2 or 3	221			4	1
Line 5. Total of lines 1 and 4	3,896	1,782	3,078	173	28

I certify, as the District Representative, that the information reported on this form is true and correct and that:  
 I am designated as an authorized district representative by the governing board of the district; and,  
 This form is an exact duplicate (verbatim) of the form provided by the Office of Public School Construction (OPSC).  
 In the event a conflict should exist, then the language in the OPSC form will prevail.

SIGNATURE OF DISTRICT REPRESENTATIVE

DATE



April 9, 2001

**EXHIBIT B**

**Updated School Facilities Capacity Calculation**

**Tracy Unified School District**  
**School Facilities Capacity Calculation**

Application	Item	Elementary School	Middle School	High School
N/A	SAB Form 50-02	3,896	1,782	3,078
N/A	Non-Severe/Severe Capacity	108	31	62
50/75499-00-001	Villalovoz (Louis J.) Elementary	125	0	0
50/75499-00-002	Poet-Christian (Gladys) Elementary	75	0	0
50/75499-00-003	West High	0	0	729
50/75499-00-004	Freiler Elementary Site	1,025	0	0
50/75499-00-005	Williams (Earle E.) Middle	313	270	0
50/75499-00-006	South/West Park Elementary	375	0	0
50/75499-00-007	Duncan Russell Chs Annex	0	0	219
50/75499-00-009	West High	0	0	486
50/75499-00-010	George Kelly Elementary	525	189	0
50/75499-00-011	North Elementary	0	297	0
50/75499-00-012	Tracy High	0	0	27
50/75499-00-013	West High	0	0	27
50/75499-00-014	Tracy High	0	0	27
50/75499-00-015	West High	0	0	54
50/75499-00-016	Williams (Earle E.) Middle	0	27	0
50/75499-00-017	Tracy High	0	0	891
50/75499-00-018	Kimball High	0	0	2,133
50/75499-00-019	West High	0	0	81
50/75499-00-020	Tracy High	0	0	459
<b>Total Capacity</b>	N/A	<b>6,442</b>	<b>2,596</b>	<b>8,273</b>



**EXHIBIT C**

**Adjusted School Facilities Capacity Calculation**

**Tracy Unified School District****Adjusted School Facilities Capacity**

School Year 2017/2018

School	Grade Level	Total Capacity
Louis A. Bohn ES	K-5	307
Central ES	K-5	525
Wanda Hirsch ES	K-5	180
Melville S. Jacobson ES	K-5	327
McKinley ES	K-5	201
South West Park ES	K-5	384
Louis J. Vaillalovoz ES	K-5	351
Art Freiler	K-8	470
George Kelly	K-8	608
Gladys Poet Christian	K-8	147
North	K-8	514
K-5 Total	N/A	4,014
Art Freiler	K-8	235
George Kelly	K-8	304
Gladys Poet Christian	K-8	73
North	K-8	257
Monte Vista MS	6-8	867
Earl E. Williams MS	6-8	654
6-8 Total	N/A	2,390
Kimball HS	9-12	2,068
Merrill F. West HS	9-12	1,872
Tracy HS	9-12	2,159
Willow/Duncan Russell	9-12	0
IGCG	9-12	0
Stein	9-12	84
9-12 Total	N/A	6,183
<b>Total</b>	<b>N/A</b>	<b>12,587</b>

**EXHIBIT D**

**Updated School Facilities Cost Estimates**



**TRACY UNIFIED SCHOOL DISTRICT****Summary of Estimated Costs****Elementary School**

February 2018

<b>A. Site</b>			<b>\$5,301,030</b>
	Purchase Price of Property	\$5,261,030	
	Acres <sup>[1]</sup> :	11.8	
	Cost/Acre:	\$445,850	
	EIR	\$20,000	
	Appraisals	\$10,000	
	Surveys	\$5,000	
	Escrow/Title	\$5,000	
	[1] Assumes Net Usable Acres		
<b>B. Plans</b>			<b>\$1,227,234</b>
	Architect's Fee	\$1,094,531	
	Preliminary Tests	\$20,000	
	DSA/SDE Plan Check	\$92,703	
	Energy Fee Analysis	\$15,000	
	Other	\$5,000	
<b>C. Construction</b>			<b>\$18,140,625</b>
	(Includes Construction, Site Development, General Site Development, and Technology)		
	Square Feet / Student	75	
	Cost / Square Feet	\$375	
<b>D. Tests</b>			<b>\$50,000</b>
<b>E. Inspection</b>			<b>\$144,000</b>
	(\$12,000 per month for 12 months)		
<b>F. Furniture and Equipment</b>			<b>\$401,513</b>
	(\$5 per Square Foot, includes Cost Index Adjustment of 66%)		
<b>G. Contingency</b>			<b>\$380,966</b>
	(\$2000 + 1.5% of items A-F)		
<b>H. Items Not Funded by the State</b>			<b>\$1,228,688</b>
	Technology (5% of Construction)	\$907,031	
	Library Books (8 books/student @ \$15)	\$77,400	
	Landscaping (\$0.44/sq. ft x 11.8 acres)	\$226,164	
	Landscape Architect Fees (8% of Landscaping)	\$18,093	
<b>I. Total Estimated Cost</b>			<b>\$26,874,056</b>

Summary	
School Facilities Capacity - Traditional Calendar	645
School Facilities Cost per Student - Traditional Calendar	\$41,665

**TRACY UNIFIED SCHOOL DISTRICT****Summary of Estimated Costs****Middle School****February 2018**

<b>A. Site</b>			<b>\$7,456,110</b>
	Purchase Price of Property	\$7,401,110	
	Acres <sup>[1]</sup> :	16.6	
	Cost/Acre:	\$445,850	
	EIR	\$25,000	
	Appraisals	\$12,000	
	Surveys	\$8,000	
	Escrow/Title	\$10,000	
	[1] Assumes Net Usable Acres		
<b>B. Plans</b>			<b>\$2,287,095</b>
	Architect's Fee	\$2,023,950	
	Preliminary Tests	\$45,000	
	DSA/SDE Plan Check	\$185,645	
	Energy Fee Analysis	\$25,000	
	Other	\$7,500	
<b>C. Construction</b>			<b>\$36,729,000</b>
	(Includes Construction, Site Development, General Site Development, and Technology)		
	Square Feet / Student	100	
	Cost / Square Feet	\$385	
<b>D. Tests</b>			<b>\$180,000</b>
<b>E. Inspection</b>			<b>\$324,000</b>
	(\$12,000 per month for 18 months x 1.5 inspectors)		
<b>F. Furniture and Equipment</b>			<b>\$950,184</b>
	(\$6 per Square Foot, includes Cost Index Adjustment of 66%)		
<b>G. Contingency</b>			<b>\$720,896</b>
	(\$2000 + 1.5% of items A-F)		
<b>H. Items Not Funded by the State</b>			<b>\$2,332,705</b>
	Technology (5% of Construction)	\$1,836,450	
	Library Books (8 books/student @ \$20)	\$152,640	
	Landscaping (\$0.44/sq. ft. x 16.6 acres)	\$318,162	
	Landscape Architect Fees (8% of Landscaping)	\$25,453	
<b>I. Total Estimated Cost</b>			<b>\$50,979,990</b>

Summary	
School Facilities Capacity - Traditional Calendar	954
School Facilities Cost per Student - Traditional Calendar	\$53,438



## BOARD AGENDA REQUEST FORM

TO: Dr. Casey Goodall, Associate Superintendent for Business Services

FROM: Bonny Carter, Director of Facilities and Planning

DATE: March 2, 2018

RE: Open Public Hearing and Receive Comments on the Commercial/Industrial Development School Fee Justification Study; and, on the Residential Development School Fee Justification Study

### PROPOSED ACTION FOR

TUSD BOARD MEETING DATE: March 13, 2018 Item 12.1.1

TYPE OF ACTION REQUESTED: Please attach Purchase Order if this item requires an expenditure of funds. A contract is required for outside services of a consultant or organization.

Please check:

- ☒ Public Hearing
- ☐ Recognition
- ☐ Consent
- ☐ Action
- ☐ Information/Discussion/Report
- ☐ Closed Session
- ☐ Pending Fingerprint Approval

*Held. Hrg.  
Public  
3-13-18  
BCC*

**NOTE:** All Agenda items must be submitted to the appropriate Secretary **two weeks prior to the Board meeting.**

*Business Services Use Only*

Approval:

Revision:





## BOARD AGENDA REQUEST FORM

TO: Dr. Casey Goodall, Associate Superintendent for Business Services

FROM: Bonny Carter, Director of Facilities and Planning

DATE: March 2, 2018

RE: Open Public Hearing and Receive Comments on the Commercial/Industrial Development School Fee Justification Study; and, on the Residential Development School Fee Justification Study

### PROPOSED ACTION FOR

TUSD BOARD MEETING DATE: March 13, 2018 Item 12.1.1

TYPE OF ACTION REQUESTED: Please attach Purchase Order if this item requires an expenditure of funds. A contract is required for outside services of a consultant or organization.

Please check:

- ☒ Public Hearing
- ☐ Recognition
- ☐ Consent
- ☐ Action
- ☐ Information/Discussion/Report
- ☐ Closed Session
- ☐ Pending Fingerprint Approval

*Held. Hrg.  
Public  
3-13-18  
BCC*

**NOTE:** All Agenda items must be submitted to the appropriate Secretary **two weeks prior to the Board meeting.**

*Business Services Use Only*

Approval:

Revision:



# BUSINESS SERVICES MEMORANDUM

**TO:** Dr. Brian Stephens, Superintendent  
**FROM:** Dr. Casey Goodall, Associate Superintendent for Business Services  
**DATE:** March 2, 2018  
**SUBJECT:** **Open Public Hearing and Receive Comments on the Commercial/Industrial Development School Fee Justification Study; and, on the Residential Development School Fee Justification Study**

**BACKGROUND:** Pursuant to Education Code Section 17620, school district governing boards are given the authority to levy fees on both residential and commercial/industrial development in order to fund construction and reconstruction of school facilities necessitated by such development.

The fees must be adopted by resolution at the end of a public hearing period of not less than 10 days. The public hearing period began on March 2, 2018 and will close at the March 13, 2018 board meeting.

**RATIONALE:** As a condition to levy both residential and commercial/industrial statutory fees, TUSD must conduct a Residential Development School Fee Justification Study and a Commercial/Industrial Development School Fee Justification Study ("Studies"). The purpose of the Studies is to: establish a nexus in the Tracy Unified School District between residential and commercial/industrial development and the (i) need for school facilities, (ii) the cost of school facilities, and (iii) the amount of statutory school fees per residential or commercial/industrial building square foot that may be levied for schools.

Due to the configuration of TUSD, two fee levels have been developed, one for the K-12 boundaries of the district which yields fees of \$3.79 per square foot of residential development and fees of \$0.61 per square foot of commercial/industrial construction; except for the self-storage category, where it is justified in levying a School Fee of \$0.066 per square foot. The fees for the K-8 feeder districts which are only responsible for mitigation of high school facilities are \$0.95 per square foot of residential development and fees of \$0.153 per square foot of commercial/industrial construction; except for the self-storage category, where it is justified in levying a School Fee of \$0.012 per square foot.

**FUNDING:** No funding implications.

**RECOMMENDATIONS:** Open Public Hearing and Receive Comments on the Commercial/Industrial Development School Fee Justification Study; and, on the Residential Development School Fee Justification Study.

**Prepared by:** Bonny Carter, Director of Facilities & Planning





## BOARD AGENDA REQUEST FORM

TO: Dr. Casey J. Goodall, Associate Superintendent for  
Business

FROM: Bonny Carter, Director of Facilities and Planning

DATE: March 2, 2018

RE: Receive Report on the Commercial/Industrial  
Development School Fee Justification Study; and on the  
Residential Development School Fee Justification Study

### PROPOSED ACTION FOR

TUSD BOARD MEETING DATE: March 13, 2018 Item 10.1.1

TYPE OF ACTION REQUESTED: Please attach Purchase Order if this  
item requires an expenditure of funds. A contract is required for outside  
services of a consultant or organization.

Please check:

- ☐ Public Hearing
- ☐ Recognition
- ☐ Consent
- ☐ Action
- ☒ Information/Discussion/Report
- ☐ Closed Session
- ☐ Pending Fingerprint Approval

*Board  
Received  
3-13-18  
[Signature]*

**NOTE:** All Agenda items must be submitted to the appropriate Secretary **two weeks prior to the Board meeting.**

*Business Services Use Only \* ten minute presentation*

Approval:

Revision:





## BOARD AGENDA REQUEST FORM

TO: Dr. Casey J. Goodall, Associate Superintendent for  
Business

FROM: Bonny Carter, Director of Facilities and Planning

DATE: March 2, 2018

RE: Receive Report on the Commercial/Industrial  
Development School Fee Justification Study; and on the  
Residential Development School Fee Justification Study

### PROPOSED ACTION FOR

TUSD BOARD MEETING DATE: March 13, 2018 **Item 10.1.1**

TYPE OF ACTION REQUESTED: Please attach Purchase Order if this  
item requires an expenditure of funds. A contract is required for outside  
services of a consultant or organization.

Please check:

- ☐ Public Hearing
- ☐ Recognition
- ☐ Consent
- ☐ Action
- ☒ Information/Discussion/Report
- ☐ Closed Session
- ☐ Pending Fingerprint Approval

*Board  
Received  
3-13-18  
[Signature]*

**NOTE:** All Agenda items must be submitted to the appropriate Secretary **two weeks prior to the Board meeting.**

*Business Services Use Only \* ten minute presentation*

Approval:

Revision:



# BUSINESS SERVICES MEMORANDUM

**TO:** Dr. Brian Stephens, Superintendent  
**FROM:** Dr. Casey Goodall, Associate Superintendent for Business Services  
**DATE:** March 2, 2018  
**SUBJECT:** **Receive Report on the Commercial/Industrial Development School Fee Justification Study; and on the Residential Development School Fee Justification Study**

**BACKGROUND:** In January 1987, with the enactment of Chapters 887 and 888, Statutes of 1986, now Education Code Section 66000 and 66001, school district governing boards were given the authority to levy fees on both residential and commercial/industrial development in order to fund construction and reconstruction of school facilities necessitated by such development.

California State Law requires that prior to the issuance of a building permit, each applicant (1) secure a Certificate of Compliance from the school district in which the project is located and (2) pay a School Facilities Fee as appropriate for the project. All applicants for development, resulting in an increase in assessable area, must obtain a Certificate of Compliance whether or not the project is required to pay the fee.

During periods when the district is participating in the State School Building Program, the District is obligated to contribute an amount equal to what it would have collected at the maximum rate whether or not the District charged the maximum rate. The District must conduct a study to determine the actual rate that it is eligible to charge.

**RATIONALE:** Both the Tracy Unified School District (TUSD) Commercial/Industrial Development School Fee Justification Study and the Residential Development School Fee Justification Study (March 2, 2018), hereafter referred to as the "Studies" were prepared by Cooperative Strategies (formerly Dolinka Group) to examine the need for the proposed fees. The Studies concluded that given the identified needs, the fees are justified and demonstrates that the maximum fees are necessary to mitigate the school facilities impact of new development on TUSD. In even numbered years, the State Allocation Board (SAB) authorizes any adjustment in the maximum fees that may be levied by a school district. Current statutory fees on new development per square foot are:

Fee Type	Current Statutory Fees: SAB	K-12	9-12 (25% Fee Sharing Agreement with Feeder School Districts)
Residential	\$3.79	\$3.79	\$0.95
Commercial/Industrial	\$0.61	\$0.61	\$0.153
Self-Storage	\$0.61	\$0.066	\$0.012

Although the District has adopted a School Facilities Needs Analysis (SFNA) in order to collect Level II and Level III development fees; it is essential to adopt the Residential Development School Fee Justification Study and fees as an alternative should the Level II/Level III fee study expire or become invalid. The Commercial/Industrial study justifies charging commercial and industrial school fees.

The public comment period on the Studies and proposed fees began on March 2, 2018 and will close at the March 13, 2018 TUSD Board meeting after holding a public hearing and considering any and all comments on the proposed fees. The Board will adopt a resolution at that time on both the residential and commercial/industrial school facilities fees.

**FUNDING:** No funding implications.

**RECOMMENDATIONS:** Receive Report on the Commercial/Industrial Development School Fee Justification Study; and on the Residential Development School Fee Justification Study.

**Prepared by:** Bonny Carter, Director of Facilities & Planning.





## BOARD AGENDA REQUEST FORM

TO: Dr. Brian Stephens, Superintendent  
FROM: Dr. Casey J. Goodall, Associate Superintendent for  
Business  
DATE: February 28, 2018  
RE: Ratify Measure B Related Expenditures and Notice of  
Completions Which Meet the Criteria for Placement on  
the Consent Agenda

### PROPOSED ACTION FOR

TUSD BOARD MEETING DATE: March 13, 2018 Item 13.1.7

TYPE OF ACTION REQUESTED: Please attach Purchase Order if this  
item requires an expenditure of funds. A contract is required for outside  
services of a consultant or organization.

Please check:

- ☐ Public Hearing
- ☐ Recognition
- ☒ Consent
- ☐ Action
- ☐ Information/Discussion/Report
- ☐ Closed Session
- ☐ Pending Fingerprint Approval

*Board approved  
3-13-18  
BKG*

**NOTE:** All Agenda items must be submitted to the appropriate Secretary **two weeks prior to the Board meeting.**

*Business Services Use Only*

Approval: cjb

Revision:



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*Board approved  
3-13-18  
BZ*

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*Business Services Use Only*

Approval: cjb

Revision:



## BOARD AGENDA REQUEST FORM

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**Board meeting.**

*Business Services Use Only*

Approval: cjb

Revision:





# BUSINESS SERVICES MEMORANDUM

**TO:** Dr. Brian Stephens, Superintendent  
**FROM:** Dr. Casey Goodall, Associate Superintendent for Business Services  
**DATE:** February 28, 2018  
**SUBJECT:** Ratify Measure B Related Expenditures and Notice of Completions Which Meet the Criteria for Placement on the Consent Agenda

**BACKGROUND:** To be valid or to constitute an enforceable obligation against the district, education code 17604 requires that all contracts must be approved and/or ratified by the board of trustees. This requirement is met in several different ways, depending on the value of the requisition, the types of services or materials being procured, and the advance notice staff has in procuring the services or materials. Routine requisitions less than \$5,000 are ratified on the consent calendar when the board approves the warrants list. Except when specific exceptions are detailed in board policies and procedures, requisitions greater than \$15,000 are submitted as action items for board pre-approval. Also, Special Services and advice in financial, accounting, engineering, legal or administrative matters pursuant to Government Code 63060 meet the requirements.

Routine requisitions between \$5,000 and \$15,000, and requisitions greater than \$15,000 which meet specific criteria, may be ratified on the consent calendar by board approval of a summary list, more detailed than the warrants listing. This may also include ratification of "Notice of Completion" of construction projects.

**RATIONALE:** The attached summary of these requisitions with related support documentation details financial obligations greater than \$5,000 but which meet the criteria to be ratified in this format. The summary is organized alphabetically so that the project's back-up material is identified with the same letter in the lower left hand corner.

**FUNDING:** Per attached summary of requisitions.

**RECOMMENDATION:** Ratify Measure B Related Expenditures and Notice of Completions Which Meet the Criteria for Placement on the Consent Agenda.

**Prepared by:** Dr. Casey Goodall, Associate Superintendent for Business Services

**BUSINESS SERVICES  
FACILITIES DEVELOPMENT DEPARTMENT  
MEASURE B BOND  
MARCH 13, 2018  
SUMMARY OF SERVICES**

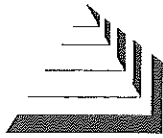
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A. Vendor: Hohbach-Lewin, Inc.  
Site: Central School Renovation  
Item: Add Service #1 - Ratify  
Services: Consultant to provide an add service, which includes locating and defining the property boundary lines with set points. The consultant will also submit the prepared Record-of Survey Map to the County Surveyor and County Recorder.  
Cost: \$6,200.00  
Project Funding: Measure B Bond Fund and State School Building Fund (SSBF)

---

B. Vendor: ACME Construction  
Site: Central School Renovation  
Item: Approve Substitution of Subcontractor  
Services: District received a formal substitution request from the Lease-Leaseback Contractor due to the fact that per Labor Code § 1771.1, Deck West is not registered with the Department of Industrial Relations. The subcontractor did not object to the substitution request and consents to the substitution.  
Cost: No Cost  
Project Funding: Measure B Bond Fund and SSBF

---



**HOHBACH-LEWIN, INC. STRUCTURAL & CIVIL ENGINEERS**

*"Timely Solutions Based On Timeless Principles"*

February 1, 2018  
February 16, 2018 (revised)

Bonny Carter  
Tracy Unified School District  
1875 W Lowell Ave  
Tracy, CA 95376

Project: Central Elementary School  
Tracy, CA  
Hohbach-Lewin Project 10488.32

Subject: Add Service #1 for Surveying Services

Dear Bonny:

As you requested, we are providing an add service for the Central Elementary School boundary line survey and record of survey map.

We will locate and/or set points to define the property boundary lines. The ends of the lines (property corners) will be set with iron pipe monuments, or other suitable monuments, where none exist. If the corner falls on a fence, an offset point will also be set. Per the requirements of the State of California Professional Land Surveyors Act, after setting the points, we must prepare and file a Record-of-Survey Map with the County Surveyor and County Recorder. The Additional fees for this work will be \$6,200.

PRINCIPALS:  
DOUGLAS HOHBACH S.E.  
DAN LEWIN S.E.  
JOAQUIM ROBERTS S.E.  
ANTHONY LEE S.E.  
VIKKI BOURCIER S.E.

ASSOCIATE PRINCIPALS:  
KEVIN MORTON S.E.  
SAM SHIOTANI S.E.

SENIOR ASSOCIATES:  
VICKY RUNDORFF S.E.  
GREG RODRIGUES S.E.  
BILL DALEY S.E.  
STUART LOWE S.E.  
BRYAN CORTNIK S.E.  
EODIE HUI S.E.

ASSOCIATES:  
JEREMIAH LEGRUE S.E.  
MICHAEL RESCH S.E.  
CHRIS MORTON S.E.  
MIKE DAVIES S.E.  
BHAVIN DESAI S.E.

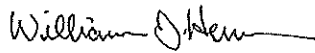
CE DEPT MANAGER:  
BILL HENN

AutoCAD MANAGER:  
GIL RABANG

Revit MANAGER:  
MARISA NOLASCO

Please contact me with any questions or comments. We are looking forward to assisting you on this project.

Sincerely,



William J Henn  
Civil Engineering Department Manager



Accepted By

Date

2/16/18

PO # \_\_\_\_\_







March 5, 2018

Randy Shipman  
Deck West  
1900 Sanguinetti Lane  
Stockton, CA 95205  
Email: [rshipman@midstatesteel.net](mailto:rshipman@midstatesteel.net)

*"The future belongs  
to the educated"*

RE: ACME Construction – Substitution  
Central Elementary School Modernization Project

Dear Mr. Shipman:

This letter is to serve notice that ACME Construction has submitted a substitution request to Tracy Unified School District to have O'Brien Steel Erectors replace Deck West as the Metal Deck Subcontractor for the Central Elementary School Modernization project; due to the fact that per California Labor Code, section 1771.1, Deck West is not registered with the Department of Industrial Relations.

Please note you have five working days from the date you received this letter within which to submit written objections to the substitution to the awarding authority. Failure to file the written objection constitutes your consent to the substitution.

**If you are willing to waive the five (5) day requirement, please sign this letter and email it back to me at [mwillner@tusd.net](mailto:mwillner@tusd.net) and Bonny Carter, Director of Facilities & Planning at [bcarter@tusd.net](mailto:bcarter@tusd.net).**

Sincerely,

Monique Willner  
Construction Technician

Deck West

3/8/18  
Date

Dr. Brian R. Stephens

*Superintendent*  
(209) 830-3201  
(209) 830-3204 Fax

Dr. Casey J. Goodall

*Associate Superintendent  
of Business Services*  
(209) 830-3230  
(209) 830-3259 Fax

Dr. Sheila Harrison

*Associate Superintendent  
of Educational Services*  
(209) 830-3202  
(209) 830-3209 Fax

Tammy Jalique

*Associate Superintendent  
of Human Resources*  
(209) 830-3260  
(209) 830-3264 Fax

Bonny Carter

*Director of Facilities and  
Planning*  
(209) 830-3245  
(209) 830-3249 fax

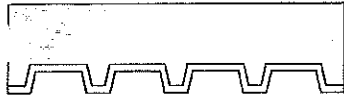
1875 W. Lowell Ave.  
Tracy, CA 95376

[www.tracy.k12.ca.us](http://www.tracy.k12.ca.us)  
[Facebook.com/TracyUnifiedSD](https://www.facebook.com/TracyUnifiedSD)

cc: Bonny Carter, Director of Facilities & Planning  
Orlando Delgadillo, RGM & Assoc.  
Mike Mastagni, ACME Const.  
O'Brien Steel Erectors, [jrohrer@obrienerectors.com](mailto:jrohrer@obrienerectors.com)

Certified Mail

# DECK WEST



*Roll-Formed  
Metal Decking  
Specialists*

1900 SANGUINETTI LANE, STOCKTON, CA 95205  
(209) 939-9700 Fax (209) 939-9770  
License# C51 805155

February 23, 2018

Acme Construction Company, Inc  
1565 Cummings Drive  
Modesto, CA 95352

Attn: Mike Mastagni

Gentlemen:

Please consider this notification our official request to be removed from the project known as:

Central Elementary School Modernization  
1370 Parker Avenue  
Tracy, CA 95376

Sincerely,

Randy Shipman  
Vice President